

**Missouri Senate
Appropriations Committee**

**2005
ANNUAL FISCAL REPORT
Fiscal Year 2006**

**93rd General Assembly
First Regular Session**

**Senator Michael Gibbons
President Pro Tem**

**Senator Chuck Gross
Appropriations Committee Chairman**



Prepared by
Senate Appropriations Committee Staff

2005 ANNUAL FISCAL REPORT
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PREFACE

The Senate Appropriations Committee is pleased to present this Annual Fiscal Report. It is designed to provide legislators, legislative and departmental staff, and the public detailed information about the appropriations and budget process during the 93rd General Assembly, 1st Regular Session (2005) as well as information about fiscal and budget issues in previous years.

The Report is divided into five sections. Section I, **FY 2006 Statewide Budget Information**, provides a summary of Missouri's \$19.2 billion operating budget for Fiscal Year 2006. This section includes appropriation bill totals for operating and capital improvements. In addition, this section contains an appropriation veto summary, the fiscal year general revenue estimate, a full time equivalent (FTE) summary by department and several charts and graphs depicting revenue and appropriation information.

Section II, **FY 2006 Departmental Budget Information**, provides detailed information on each state department. Information includes the appropriation amount, percentage increases or decreases, and the major changes from the previous fiscal year. This section also contains pie charts that display information unique to each department.

Section III, **Missouri State Finances**, provides historical expenditure information on the state's operating and capital improvement budgets. In addition, information is presented regarding past revenue collections, an analysis of state tax credits, bond indebtedness, and the distribution of gaming, lottery and tobacco settlement revenues.

Section IV, **Legislation**, provides a fiscal impact summary of legislation enacted in 2005. Detailed summaries are provided for Senate Bill 287 (Shields) related to school funding, Senate Bill 539 (Purgason) related to changes in the Medicaid program, and Senate Bill 343 (Bartle) related to economic development incentives.

Section V, **Topics of Interest**, provides information about a wide variety of subjects of current interest. This section contains information related to the highway fund cap, court ordered desegregation, state employee pay plan history, state rankings and performance, budget reserve fund, total state revenue calculation, budget process overview, and the calendar of floor action on appropriation bills.

We hope that the Annual Fiscal Report will provide the reader with a wide range of interesting topics regarding the Missouri state budget and finances. If you have any comments or suggestions please send them to Dan Haug, Senate Appropriations Committee Staff, Rm. B-8, State Capitol Building, fax them to (573) 751-4778 or e-mail him at DHaug@senate.mo.gov.

**Missouri Senate
Appropriations Committee and
Staff Organization**

**President Pro Tem
Michael Gibbons**

Senate Appropriations Committee

**Chuck Gross, Appropriations Committee Chair
Gary Nodler, Vice-Chair**

**Joan Bray
Timothy Green
Luann Ridgeway**

**Norma Champion
Robert Mayer**

**Patrick Dougherty
Chuck Purgason**

Senate Appropriations Committee Staff

**Dan Haug, Director/Economist
Paul Wagner, Budget Analyst
Brent McGinty, Budget Analyst
Angie Giddings, Budget Analyst
Adam Koenigsfeld, Budget Analyst
Michelle Kliethermes, Support Staff**

Senate Appropriations Staff

Budget Assignments

Phone: 751-2893

Fax: 751-4778

Paul Wagner

PWagner@senate.mo.gov

Department of Elementary & Secondary Education
Department of Higher Education

Brent McGinty

BMcGinty@senate.mo.gov

Department of Agriculture
Department of Natural Resources
Department of Conservation
Department of Mental Health
Department of Health and Senior Services

Angie Giddings

AGiddings@senate.mo.gov

Department of Public Safety
Department of Corrections
Judiciary
Public Defender
Statewide Leasing
Capital Improvements
Reappropriations

Dan Haug

DHaug@senate.mo.gov

Economic and Revenue Forecasting
Department of Revenue
Department of Transportation
Public Debt
General Assembly
Elected Officials

Adam Koenigsfeld

AKoenigsfeld@senate.mo.gov

Department of Social Services

Vacant

Office of Administration

Employee Benefits

Department of Labor & Industrial Relations

Department of Insurance

Department of Economic Development

Michelle Kliethermes

MKliethermes@senate.mo.gov

Support Staff

Revised: August 2005

Section I

**FISCAL YEAR 2006
STATEWIDE BUDGET
INFORMATION**

FY 2006 OPERATING BUDGET SUMMARY

9/14/2005

House <u>Bill</u>	FY 2004 Prior Year Expenditures	FY 2005 Current Year Appropriations	Governor's Amended Recommendation	House Recommendation	Senate Recommendation
1 <u>Public Debt</u>					
General Revenue	\$ 68,827,494	\$ 103,045,815	\$ 104,855,732	\$ 104,855,732	\$ 97,784,797
Federal Funds	0	0	0	0	0
Other Funds	987,647	996,472	1,002,235	1,002,235	8,073,170
Total	<u>\$ 69,815,141</u>	<u>\$ 104,042,287</u>	<u>\$ 105,857,967</u>	<u>\$ 105,857,967</u>	<u>\$ 105,857,967</u>
2 <u>Elementary and Secondary Education</u>					
General Revenue	\$ 2,447,249,919	\$ 2,562,386,690	\$ 2,581,658,821	\$ 2,560,707,926	\$ 2,551,645,921
Federal Funds	786,607,097	995,086,690	947,095,778	946,856,485	948,234,645
Other Funds	1,163,312,699	1,209,356,093	1,327,485,337	1,335,789,504	1,336,789,504
Total	<u>\$ 4,397,169,715</u>	<u>\$ 4,766,829,473</u>	<u>\$ 4,856,239,936</u>	<u>\$ 4,843,353,915</u>	<u>\$ 4,836,670,070</u>
3 <u>Higher Education</u>					
General Revenue	\$ 815,064,751	\$ 862,342,574	\$ 857,179,450	\$ 860,089,387	\$ 811,795,416
Federal Funds	2,570,995	6,247,637	6,250,409	6,247,637	6,247,638
Other Funds	135,883,629	180,529,321	183,830,833	183,805,883	183,805,883
Total	<u>\$ 953,519,375</u>	<u>\$ 1,049,119,532</u>	<u>\$ 1,047,260,692</u>	<u>\$ 1,050,142,907</u>	<u>\$ 1,001,848,937</u>
4 <u>Revenue</u>					
General Revenue	\$ 69,387,674	\$ 90,400,447	\$ 118,573,293	\$ 95,598,626	\$ 91,562,662
Federal Funds	5,771,302	9,001,789	7,647,174	7,644,994	7,644,994
Other Funds	378,884,088	359,440,252	331,401,157	336,276,611	324,789,987
Total	<u>\$ 454,043,064</u>	<u>\$ 458,842,488</u>	<u>\$ 457,621,624</u>	<u>\$ 439,520,231</u>	<u>\$ 423,997,643</u>
4 <u>Transportation</u>					
General Revenue	\$ 11,304,721	\$ 12,162,168	\$ 10,691,923	\$ 11,689,615	\$ 11,139,115
Federal Funds	43,116,626	53,276,877	57,439,612	57,431,590	57,431,590
Other Funds	1,772,888,104	1,578,332,143	1,659,260,443	1,656,809,297	1,656,859,297
Total	<u>\$ 1,827,309,451</u>	<u>\$ 1,643,771,188</u>	<u>\$ 1,727,391,978</u>	<u>\$ 1,725,930,502</u>	<u>\$ 1,725,430,002</u>
5 <u>Office of Administration</u>					
General Revenue	\$ 151,352,958	\$ 153,139,380	\$ 155,964,594	\$ 145,932,640	\$ 150,917,264
Federal Funds	4,143,217	9,568,718	16,121,900	16,116,423	16,116,423
Other Funds	32,020,099	9,734,796	9,319,234	9,307,399	9,157,399
Total	<u>\$ 187,516,274</u>	<u>\$ 172,442,894</u>	<u>\$ 181,405,728</u>	<u>\$ 171,356,462</u>	<u>\$ 176,191,086</u>
5 <u>Employee Benefits</u>					
General Revenue	\$ 424,157,043	\$ 445,183,121	\$ 487,684,710	\$ 467,559,216	\$ 475,323,434
Federal Funds	106,402,406	139,645,514	148,074,289	147,578,286	147,578,286
Other Funds	106,819,856	136,843,417	141,979,820	142,016,079	141,568,823
Total	<u>\$ 637,379,305</u>	<u>\$ 721,672,052</u>	<u>\$ 777,738,819</u>	<u>\$ 757,153,581</u>	<u>\$ 764,470,543</u>
6 <u>Agriculture</u>					
General Revenue	\$ 12,968,647	\$ 15,248,217	\$ 20,875,352	\$ 19,275,224	\$ 15,006,732
Federal Funds	2,107,012	5,490,357	5,532,236	5,563,180	5,443,995
Other Funds	10,619,032	15,354,316	14,643,464	14,673,262	15,695,405
Total	<u>\$ 25,694,691</u>	<u>\$ 36,092,890</u>	<u>\$ 41,051,052</u>	<u>\$ 39,511,666</u>	<u>\$ 36,146,132</u>

FY 2006 OPERATING BUDGET SUMMARY

9/14/2005

House <u>Bill</u>	FY 2004 Prior Year Expenditures	FY 2005 Current Year Appropriations	Governor's Amended Recommendation	House Recommendation	Senate Recommendation
6 Natural Resources					
General Revenue	\$ 8,595,916	\$ 8,521,062	\$ 8,714,391	\$ 7,141,165	\$ 6,541,165
Federal Funds	31,827,742	45,192,505	44,588,267	44,617,355	44,618,355
Other Funds	<u>155,985,145</u>	<u>275,220,522</u>	<u>275,271,171</u>	<u>275,700,354</u>	<u>275,700,354</u>
Total	<u>\$ 196,408,803</u>	<u>\$ 328,934,089</u>	<u>\$ 328,573,829</u>	<u>\$ 327,458,874</u>	<u>\$ 326,859,874</u>
6 Conservation					
General Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0	0	0
Other Funds	<u>121,157,301</u>	<u>133,931,123</u>	<u>137,899,679</u>	<u>137,196,601</u>	<u>137,196,601</u>
Total	<u>\$ 121,157,301</u>	<u>\$ 133,931,123</u>	<u>\$ 137,899,679</u>	<u>\$ 137,196,601</u>	<u>\$ 137,196,601</u>
7 Economic Development					
General Revenue	\$ 37,004,001	\$ 44,195,819	\$ 48,334,391	\$ 44,960,855	\$ 39,596,717
Federal Funds	128,514,544	163,389,259	163,506,782	163,261,784	163,032,156
Other Funds	<u>48,125,571</u>	<u>69,227,236</u>	<u>74,724,671</u>	<u>74,612,613</u>	<u>68,435,407</u>
Total	<u>\$ 213,644,116</u>	<u>\$ 276,812,314</u>	<u>\$ 286,565,844</u>	<u>\$ 282,835,252</u>	<u>\$ 271,064,280</u>
7 Insurance					
General Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Federal Funds	272,210	450,000	450,000	450,000	600,000
Other Funds	<u>11,984,680</u>	<u>13,884,932</u>	<u>14,036,435</u>	<u>13,848,508</u>	<u>13,848,508</u>
Total	<u>\$ 12,256,890</u>	<u>\$ 14,334,932</u>	<u>\$ 14,486,435</u>	<u>\$ 14,298,508</u>	<u>\$ 14,448,508</u>
7 Labor and Industrial Relations					
General Revenue	\$ 2,958,825	\$ 2,661,426	\$ 2,999,906	\$ 2,653,917	\$ 2,801,719
Federal Funds	42,273,080	62,564,793	60,731,167	60,408,140	60,408,140
Other Funds	<u>83,821,878</u>	<u>92,970,038</u>	<u>102,536,838</u>	<u>102,476,778</u>	<u>102,476,778</u>
Total	<u>\$ 129,053,783</u>	<u>\$ 158,196,257</u>	<u>\$ 166,267,911</u>	<u>\$ 165,538,835</u>	<u>\$ 165,686,637</u>
8 Public Safety					
General Revenue	\$ 42,252,445	\$ 45,507,763	\$ 62,232,660	\$ 60,038,308	\$ 59,636,745
Federal Funds	98,628,735	87,377,775	72,632,220	73,980,467	73,980,467
Other Funds	<u>197,435,108</u>	<u>245,269,735</u>	<u>250,383,433</u>	<u>248,905,797</u>	<u>258,261,053</u>
Total	<u>\$ 338,316,288</u>	<u>\$ 378,155,273</u>	<u>\$ 385,248,313</u>	<u>\$ 382,924,572</u>	<u>\$ 391,878,265</u>
9 Corrections					
General Revenue	\$ 492,485,349	\$ 523,395,862	\$ 538,378,620	\$ 510,966,041	\$ 516,768,254
Federal Funds	4,784,942	7,813,835	8,162,175	8,139,981	8,139,981
Other Funds	<u>30,671,383</u>	<u>42,772,722</u>	<u>41,740,109</u>	<u>44,280,622</u>	<u>42,840,685</u>
Total	<u>\$ 527,941,674</u>	<u>\$ 573,982,419</u>	<u>\$ 588,280,904</u>	<u>\$ 563,386,644</u>	<u>\$ 567,748,920</u>
10 Mental Health					
General Revenue	\$ 502,633,401	\$ 521,575,544	\$ 489,603,006	\$ 504,028,777	\$ 510,503,227
Federal Funds	323,198,393	415,464,229	410,745,281	418,188,662	413,806,110
Other Funds	<u>31,975,608</u>	<u>36,038,216</u>	<u>35,483,123</u>	<u>35,468,138</u>	<u>35,837,786</u>
Total	<u>\$ 857,807,402</u>	<u>\$ 973,077,989</u>	<u>\$ 935,831,410</u>	<u>\$ 957,685,577</u>	<u>\$ 960,147,123</u>

FY 2006 OPERATING BUDGET SUMMARY

9/14/2005

House <u>Bill</u>		FY 2004 Prior Year Expenditures	FY 2005 Current Year Appropriations	Governor's Amended Recommendation	House Recommendation	Senate Recommendation
10	<u>Health</u>					
	General Revenue	\$ 72,120,587	\$ 81,195,589	\$ 213,446,814	\$ 223,245,912	\$ 207,178,874
	Federal Funds	276,725,979	328,293,614	576,244,118	571,049,758	552,226,725
	Other Funds	35,195,584	51,869,965	55,743,969	55,698,198	51,777,756
	Total	\$ 384,042,150	\$ 461,359,168	\$ 845,434,901	\$ 849,993,868	\$ 811,183,355
11	<u>Social Services</u>					
	General Revenue	\$ 1,205,302,334	\$ 1,386,592,216	\$ 1,313,348,662	\$ 1,263,993,308	\$ 1,274,822,298
	Federal Funds	3,097,921,023	3,456,087,243	3,277,707,305	3,285,978,916	3,400,663,573
	Other Funds	1,357,804,848	1,383,005,842	1,270,939,883	1,305,233,975	1,362,048,236
	Total	\$ 5,661,028,205	\$ 6,225,685,301	\$ 5,861,995,850	\$ 5,855,206,199	\$ 6,037,534,107
12	<u>Elected Officials</u>					
	General Revenue	\$ 40,522,104	\$ 42,966,148	\$ 43,730,676	\$ 45,472,777	\$ 38,573,420
	Federal Funds	5,381,990	36,306,937	74,914,507	75,404,353	75,297,792
	Other Funds	30,216,809	42,502,451	42,475,162	44,127,316	44,248,716
	Total	\$ 76,120,903	\$ 121,775,536	\$ 161,120,345	\$ 165,004,446	\$ 158,119,928
12	<u>Judiciary</u>					
	General Revenue	\$ 136,982,040	\$ 140,830,307	\$ 141,739,476	\$ 143,405,934	\$ 140,280,764
	Federal Funds	6,186,858	17,082,777	12,918,360	12,881,488	12,881,488
	Other Funds	5,740,709	9,206,966	9,230,068	9,212,166	9,212,166
	Total	\$ 148,809,607	\$ 167,120,050	\$ 163,887,904	\$ 165,499,588	\$ 162,374,418
12	<u>Public Defender</u>					
	General Revenue	\$ 27,818,869	\$ 28,463,282	\$ 28,693,128	\$ 28,213,282	\$ 28,463,282
	Federal Funds	0	125,000	125,000	125,000	125,000
	Other Funds	1,141,187	1,218,134	1,968,743	1,968,134	1,968,134
	Total	\$ 28,960,056	\$ 29,806,416	\$ 30,786,871	\$ 30,306,416	\$ 30,556,416
12	<u>General Assembly</u>					
	General Revenue	\$ 29,444,024	\$ 31,352,538	\$ 31,533,926	\$ 31,211,685	\$ 31,008,402
	Federal Funds	0	0	0	0	0
	Other Funds	86,281	192,691	192,910	192,691	192,691
	Total	\$ 29,530,305	\$ 31,545,229	\$ 31,726,836	\$ 31,404,376	\$ 31,201,093
13	<u>Statewide Leasing</u>					
	General Revenue	\$ 25,084,261	\$ 27,429,258	\$ 23,710,144	\$ 23,709,741	\$ 23,865,502
	Federal Funds	13,043,365	17,068,557	13,828,112	13,607,865	13,607,866
	Other Funds	5,268,817	5,915,522	5,058,818	4,997,724	4,997,725
	Total	\$ 43,396,443	\$ 50,413,337	\$ 42,597,074	\$ 42,315,330	\$ 42,471,093
	<u>Total Operating Budget</u>					
	General Revenue	\$ 6,623,517,363	\$ 7,128,595,226	\$ 7,283,949,675	\$ 7,154,750,068	\$ 7,085,215,710
	Federal Funds	4,979,477,516	5,855,534,106	5,904,714,692	5,915,532,364	6,008,085,224
	Other Funds	5,718,026,063	5,893,812,905	5,986,607,535	6,033,599,885	6,085,782,064
	Total	\$ 17,321,020,942	\$ 18,877,942,237	\$ 19,175,271,902	\$ 19,103,882,317	\$ 19,179,082,998

FY 2006 OPERATING BUDGET SUMMARY

9/14/2005

House <u>Bill</u>	FY 2004 Prior Year Expenditures	FY 2005 Current Year Appropriations	Governor's Amended Recommendation	House Recommendation	Senate Recommendation
<u>Refunds</u>					
General Revenue	\$ 1,075,228,814	\$ 1,286,759,857	\$ 1,179,376,271	\$ 1,179,376,271	\$ 1,179,376,271
Federal Funds	2,619,566	1,934,307	1,934,347	1,934,347	1,934,347
Other Funds	39,852,775	41,243,693	41,149,932	41,149,932	41,149,932
Total	<hr/> \$ 1,117,701,155	<hr/> \$ 1,329,937,857	<hr/> \$ 1,222,460,550	<hr/> \$ 1,222,460,550	<hr/> \$ 1,222,460,550

FY 2006 FTE SUMMARY

9/14/2005

House <u>Bill</u>	FY 2004 Prior Year Expenditures	FY 2005 Current Year Appropriations	Governor's Amended Recommendation	House Recommendation	Senate Recommendation	F
1 <u>Public Debt</u>						
General Revenue	0.00	0.00	0.00	0.00	0.00	0.00
Federal Funds	0.00	0.00	0.00	0.00	0.00	0.00
Other Funds	0.00	0.00	0.00	0.00	0.00	0.00
Total	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
2 <u>Elementary and Secondary Education</u>						
General Revenue	1,004.99	1,028.39	1,008.03	1,003.15	998.55	F
Federal Funds	836.28	928.46	920.96	905.96	846.56	
Other Funds	13.12	11.30	4.00	4.00	4.00	
Total	<u>1,854.39</u>	<u>1,968.15</u>	<u>1,932.99</u>	<u>1,913.11</u>	<u>1,849.11</u>	<u>1,849.11</u>
3 <u>Higher Education</u>						
General Revenue	20.20	21.90	15.82	15.82	15.82	15.82
Federal Funds	5.84	6.50	6.50	6.50	12.58	
Other Funds	47.90	61.33	61.33	61.33	61.33	61.33
Total	<u>73.94</u>	<u>89.73</u>	<u>83.65</u>	<u>83.65</u>	<u>89.73</u>	<u>89.73</u>
4 <u>Revenue</u>						
General Revenue	933.58	934.76	934.76	1,325.96	1,282.29	F
Federal Funds	3.77	6.74	6.74	6.74	6.74	
Other Funds	1,134.02	1,166.20	949.70	467.41	494.17	
Total	<u>2,071.37</u>	<u>2,107.70</u>	<u>1,891.20</u>	<u>1,800.11</u>	<u>1,783.20</u>	<u>1,783.20</u>
4 <u>Transportation</u>						
General Revenue	6.19	6.43	6.43	6.43	6.43	6.43
Federal Funds	24.31	18.59	17.59	17.59	17.59	
Other Funds	6,903.45	6,663.23	6,966.18	6,966.18	6,966.18	
Total	<u>6,933.95</u>	<u>6,688.25</u>	<u>6,990.20</u>	<u>6,990.20</u>	<u>6,990.20</u>	<u>6,990.20</u>
5 <u>Office of Administration</u>						
General Revenue	376.96	383.15	382.15	346.65	351.15	F
Federal Funds	0.62	11.32	10.32	10.32	10.32	
Other Funds	495.74	540.00	537.03	455.03	469.03	
Total	<u>873.32</u>	<u>934.47</u>	<u>929.50</u>	<u>812.00</u>	<u>830.50</u>	<u>830.50</u>
6 <u>Agriculture</u>						
General Revenue	220.81	224.64	223.64	192.49	197.99	F
Federal Funds	21.73	33.26	39.26	40.26	37.26	
Other Funds	140.92	186.95	189.25	191.85	190.30	
Total	<u>383.46</u>	<u>444.85</u>	<u>452.15</u>	<u>424.60</u>	<u>425.55</u>	<u>425.55</u>
6 <u>Natural Resources</u>						
General Revenue	193.29	179.89	168.16	139.06	139.06	F
Federal Funds	353.20	382.93	380.99	385.51	385.51	
Other Funds	1,348.62	1,424.30	1,406.57	1,421.31	1,421.31	
Total	<u>1,895.11</u>	<u>1,987.12</u>	<u>1,955.72</u>	<u>1,945.88</u>	<u>1,945.88</u>	<u>1,945.88</u>

FY 2006 FTE SUMMARY

9/14/2005

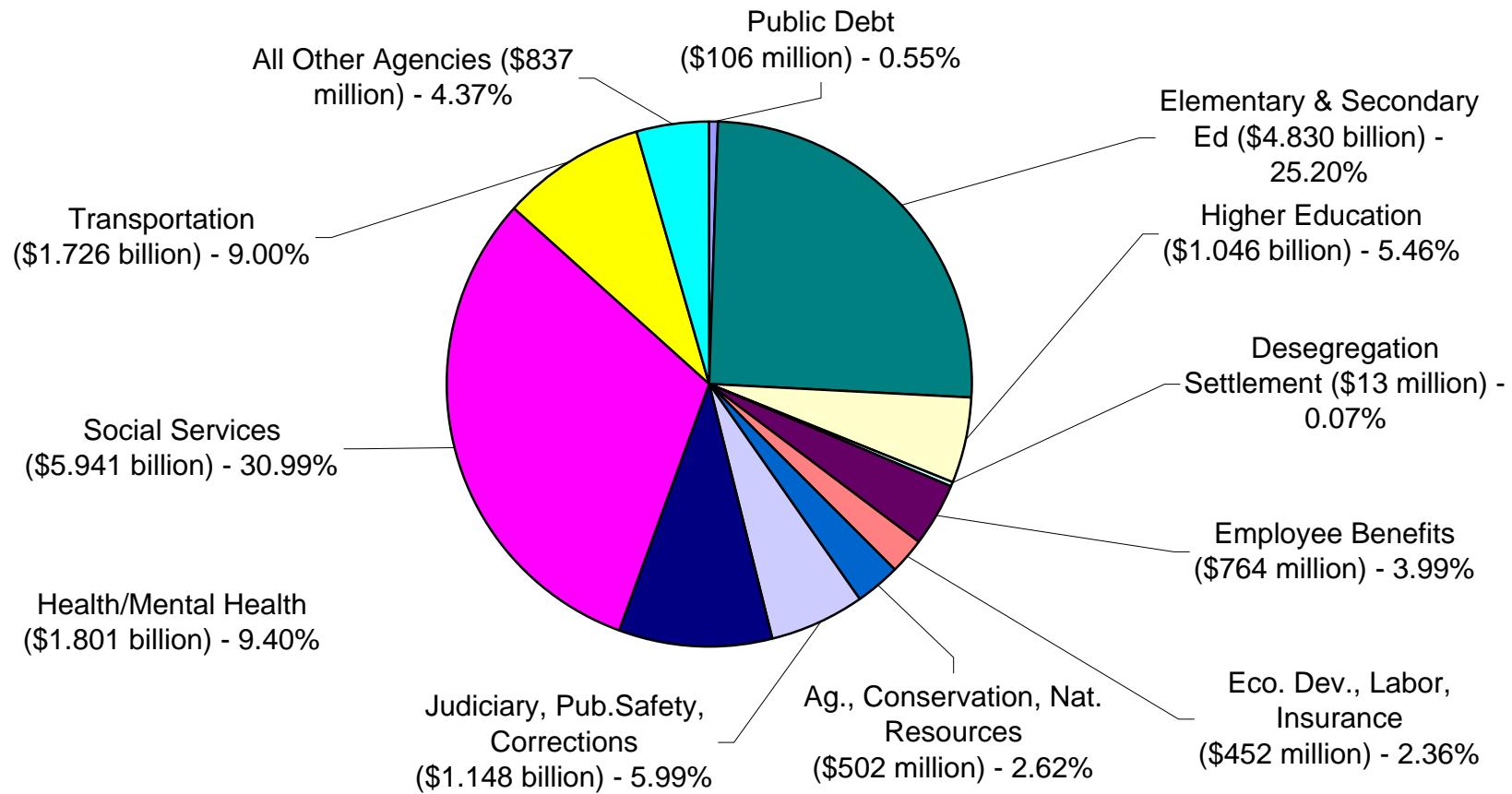
House <u>Bill</u>	FY 2004 Prior Year Expenditures	FY 2005 Current Year Appropriations	Governor's Amended Recommendation	House Recommendation	Senate Recommendation	F
6 <u>Conservation</u>						
General Revenue	0.00	0.00	0.00	0.00	0.00	
Federal Funds	0.00	0.00	0.00	0.00	0.00	
Other Funds	<u>1,784.32</u>	<u>1,871.61</u>	<u>1,871.61</u>	<u>1,871.61</u>	<u>1,871.61</u>	
Total	<u>1,784.32</u>	<u>1,871.61</u>	<u>1,871.61</u>	<u>1,871.61</u>	<u>1,871.61</u>	
7 <u>Economic Development</u>						
General Revenue	95.76	114.86	113.86	109.86	99.74	
Federal Funds	555.61	696.30	692.30	692.30	692.30	
Other Funds	<u>625.36</u>	<u>655.50</u>	<u>659.50</u>	<u>646.50</u>	<u>646.50</u>	
Total	<u>1,276.73</u>	<u>1,466.66</u>	<u>1,465.66</u>	<u>1,448.66</u>	<u>1,438.54</u>	
7 <u>Insurance</u>						
General Revenue	0.00	0.00	0.00	0.00	0.00	
Federal Funds	0.00	0.00	0.00	0.00	0.00	
Other Funds	<u>207.82</u>	<u>218.50</u>	<u>218.50</u>	<u>217.50</u>	<u>217.50</u>	
Total	<u>207.82</u>	<u>218.50</u>	<u>218.50</u>	<u>217.50</u>	<u>217.50</u>	
7 <u>Labor and Industrial Relations</u>						
General Revenue	58.34	46.34	46.01	46.01	43.01	
Federal Funds	794.24	929.96	931.10	931.10	931.10	
Other Funds	<u>187.60</u>	<u>208.11</u>	<u>207.30</u>	<u>207.30</u>	<u>207.30</u>	
Total	<u>1,040.18</u>	<u>1,184.41</u>	<u>1,184.41</u>	<u>1,184.41</u>	<u>1,181.41</u>	
8 <u>Public Safety</u>						
General Revenue	829.57	1,033.26	1,030.26	1,019.38	1,003.53	
Federal Funds	336.41	365.95	385.95	390.93	390.28	
Other Funds	<u>3,442.49</u>	<u>3,466.15</u>	<u>3,473.15</u>	<u>3,473.55</u>	<u>3,477.55</u>	
Total	<u>4,608.47</u>	<u>4,865.36</u>	<u>4,889.36</u>	<u>4,883.86</u>	<u>4,871.36</u>	
9 <u>Corrections</u>						
General Revenue	11,713.55	11,312.39	11,371.39	10,976.52	10,959.52	
Federal Funds	52.32	72.00	64.50	64.50	64.50	
Other Funds	<u>288.56</u>	<u>322.00</u>	<u>288.00</u>	<u>322.00</u>	<u>288.00</u>	
Total	<u>12,054.43</u>	<u>11,706.39</u>	<u>11,723.89</u>	<u>11,363.02</u>	<u>11,312.02</u>	
10 <u>Mental Health</u>						
General Revenue	9,137.79	8,627.01	7,704.35	8,336.27	8,448.58	
Federal Funds	615.19	707.95	658.15	712.08	672.37	
Other Funds	<u>19.09</u>	<u>44.00</u>	<u>37.00</u>	<u>37.00</u>	<u>37.00</u>	
Total	<u>9,772.07</u>	<u>9,378.96</u>	<u>8,399.50</u>	<u>9,085.35</u>	<u>9,157.95</u>	
10 <u>Health</u>						
General Revenue	804.75	827.25	857.25	801.10	770.00	
Federal Funds	1,074.42	1,208.51	1,205.84	1,205.84	1,202.34	
Other Funds	<u>82.76</u>	<u>107.97</u>	<u>122.01</u>	<u>122.01</u>	<u>125.01</u>	
Total	<u>1,961.93</u>	<u>2,143.73</u>	<u>2,185.10</u>	<u>2,128.95</u>	<u>2,097.35</u>	

FY 2006 FTE SUMMARY

9/14/2005

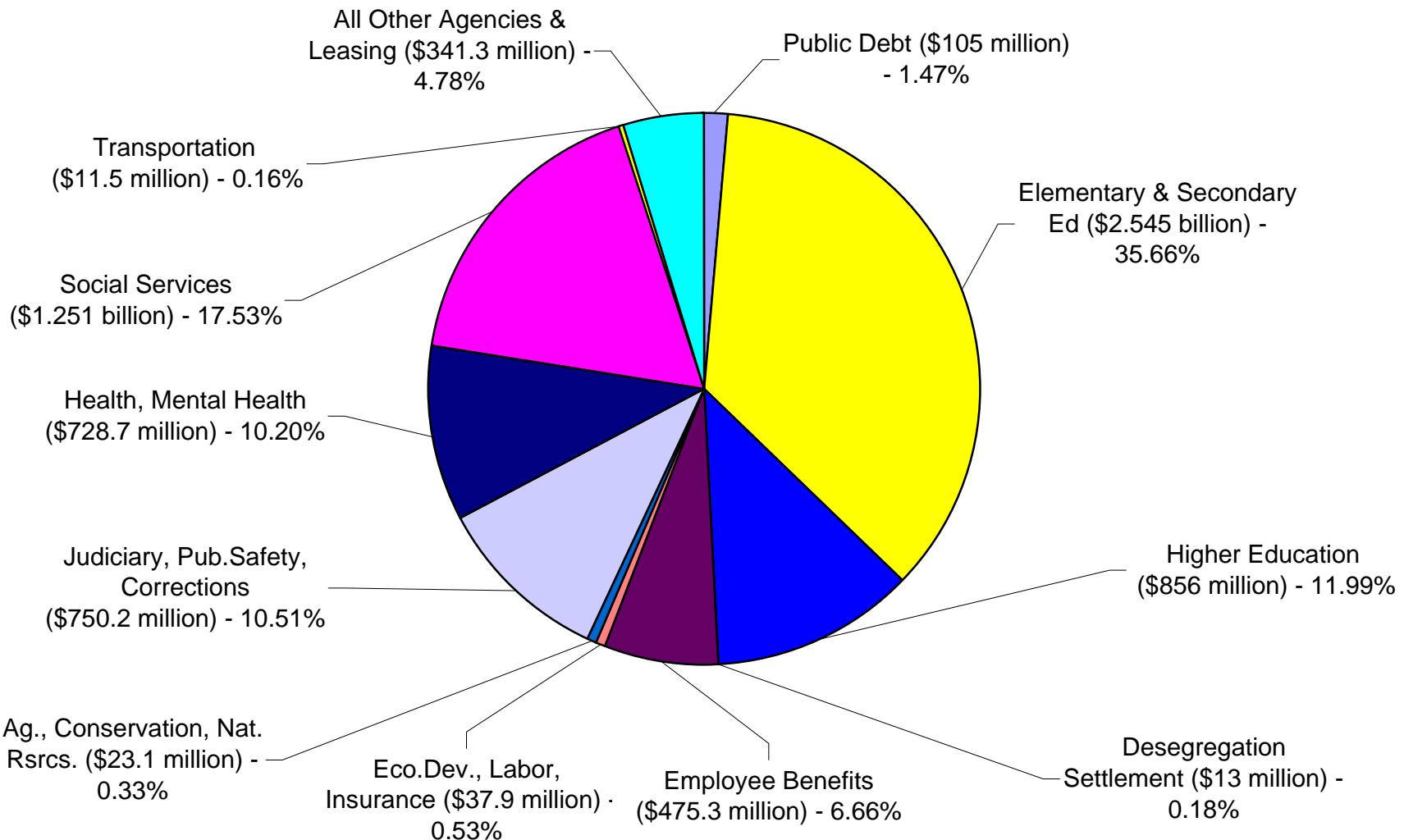
House <u>Bill</u>	FY 2004 Prior Year Expenditures	FY 2005 Current Year Appropriations	Governor's Amended Recommendation	House Recommendation	Senate Recommendation	F
11 <u>Social Services</u>						
General Revenue	3,244.06	2,961.69	3,036.27	2,931.01	2,872.83	
Federal Funds	5,028.98	5,062.54	5,109.80	5,074.03	5,070.53	
Other Funds	413.57	564.97	580.75	580.75	580.75	
Total	8,686.61	8,589.20	8,726.82	8,585.79	8,524.11	
12 <u>Elected Officials</u>						
General Revenue	677.31	691.63	702.63	667.73	651.23	
Federal Funds	65.60	89.61	83.61	97.61	93.11	
Other Funds	149.50	176.78	168.78	204.68	206.68	
Total	892.41	958.02	955.02	970.02	951.02	
12 <u>Judiciary</u>						
General Revenue	3,182.07	3,207.72	3,210.30	3,211.30	3,206.30	
Federal Funds	62.72	98.25	101.25	101.25	101.25	
Other Funds	51.98	62.50	62.50	62.50	62.50	
Total	3,296.77	3,368.47	3,374.05	3,375.05	3,370.05	
12 <u>Public Defender</u>						
General Revenue	539.29	558.13	558.13	558.13	558.13	
Federal Funds	0.00	0.00	0.00	0.00	0.00	
Other Funds	1.77	2.00	2.00	2.00	2.00	
Total	541.06	560.13	560.13	560.13	560.13	
12 <u>General Assembly</u>						
General Revenue	701.50	721.84	721.84	719.84	717.84	
Federal Funds	0.00	0.00	0.00	0.00	0.00	
Other Funds	0.00	1.00	1.00	1.00	1.00	
Total	701.50	722.84	722.84	720.84	718.84	
Total HB 1 - HB 12						
General Revenue	33,740.01	32,881.28	32,091.28	32,406.71	32,322.00	
Federal Funds	9,831.24	10,618.87	10,614.86	10,642.52	10,534.34	
Other Funds	17,338.59	17,754.40	17,806.16	17,315.51	17,329.72	
Total	60,909.84	61,254.55	60,512.30	60,364.74	60,186.06	

FY 2006 After Veto Operating Budget All Funds: \$19.166 Billion



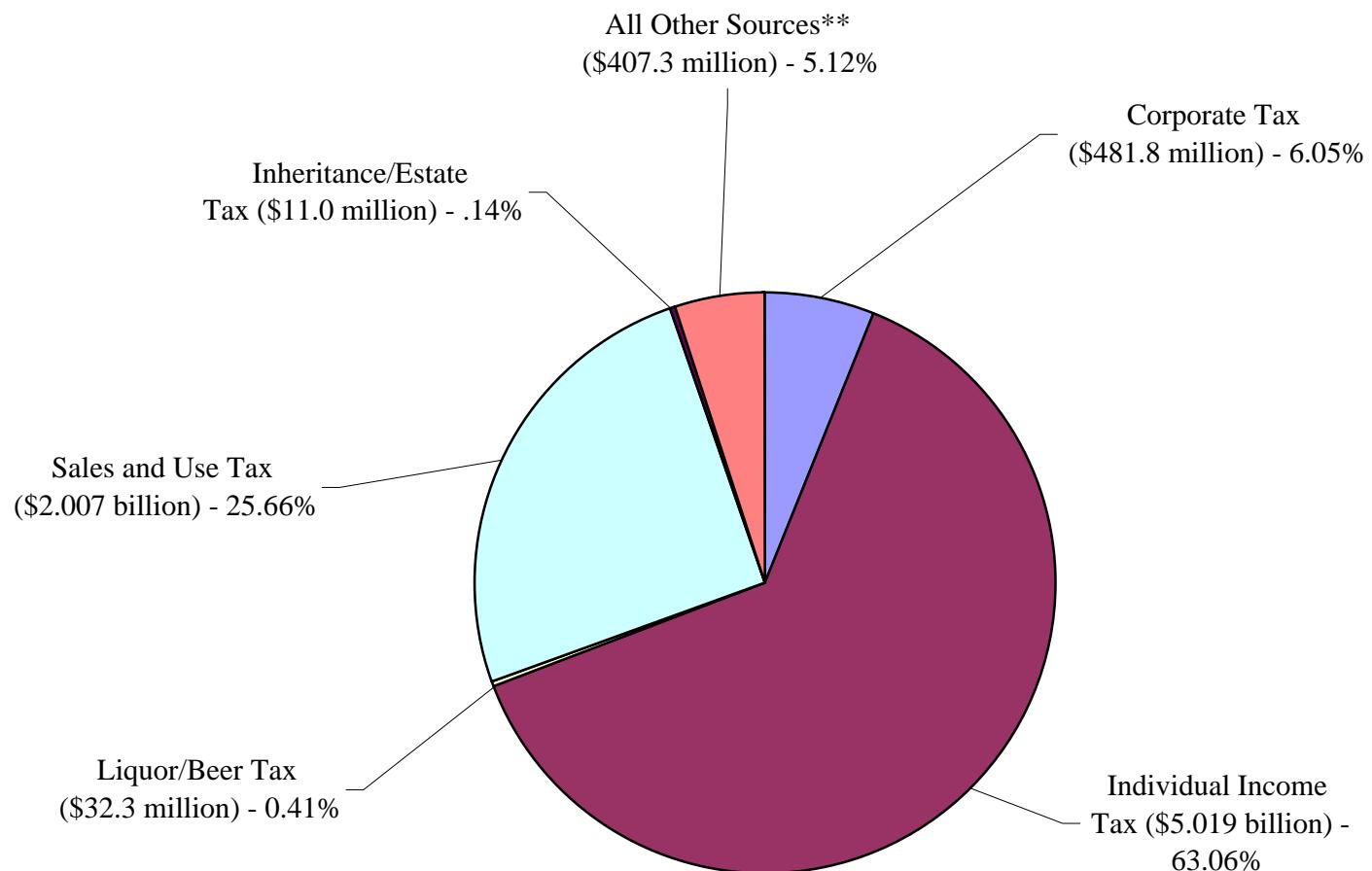
FY 2006 After Veto Operating Budget

General Revenue: \$7.138 Billion



FY 2006 GR Estimate*

\$7.959 Billion

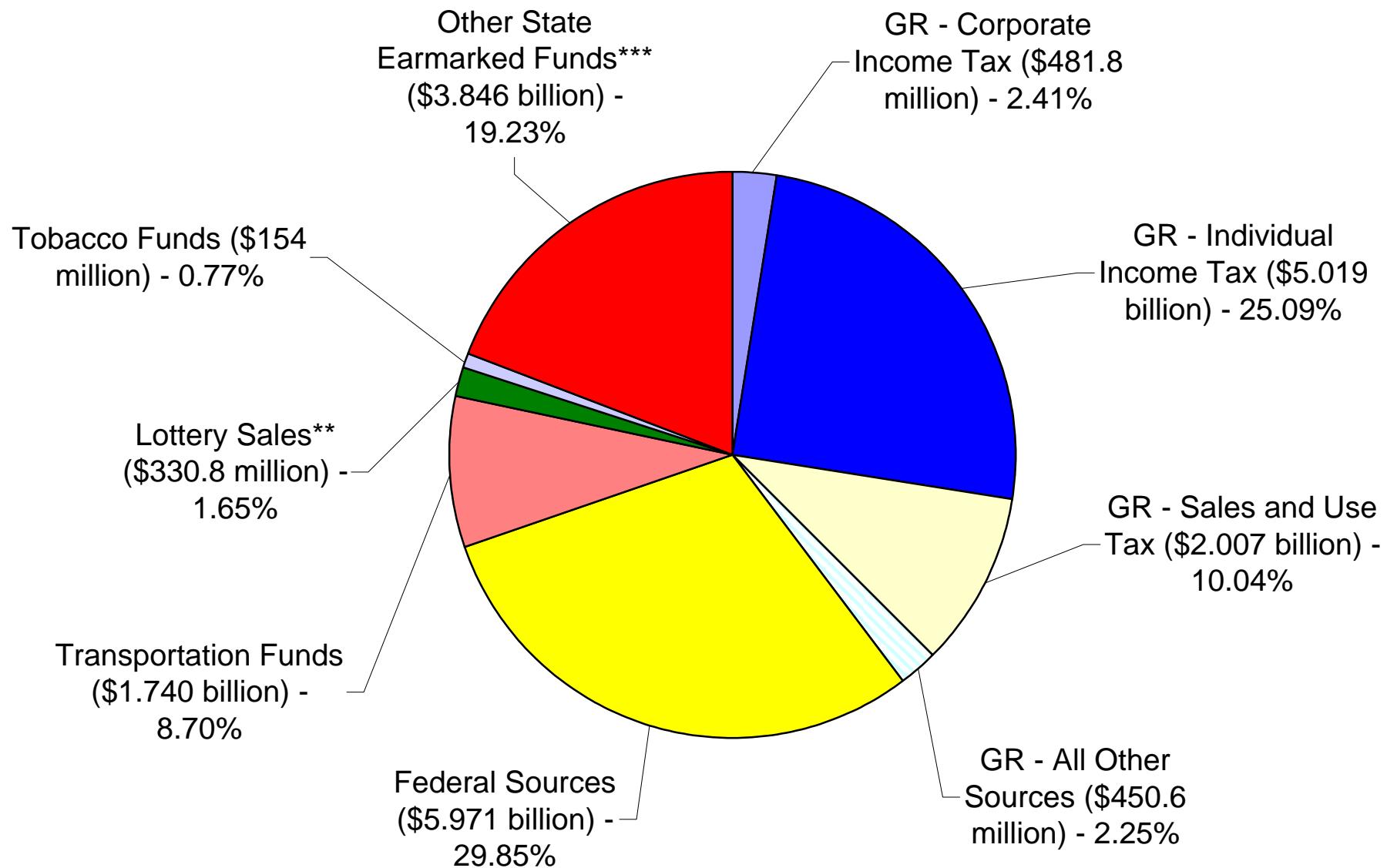


*Gross collections does not include refunds of \$1.174 billion

**All Other Sources: interest, county foreign insurance, federal reimbursements, etc..

FY 2006 All Revenues*

Estimate: \$20.00 Billion



*Gross collections does not include \$1.174 billion in GR refunds.

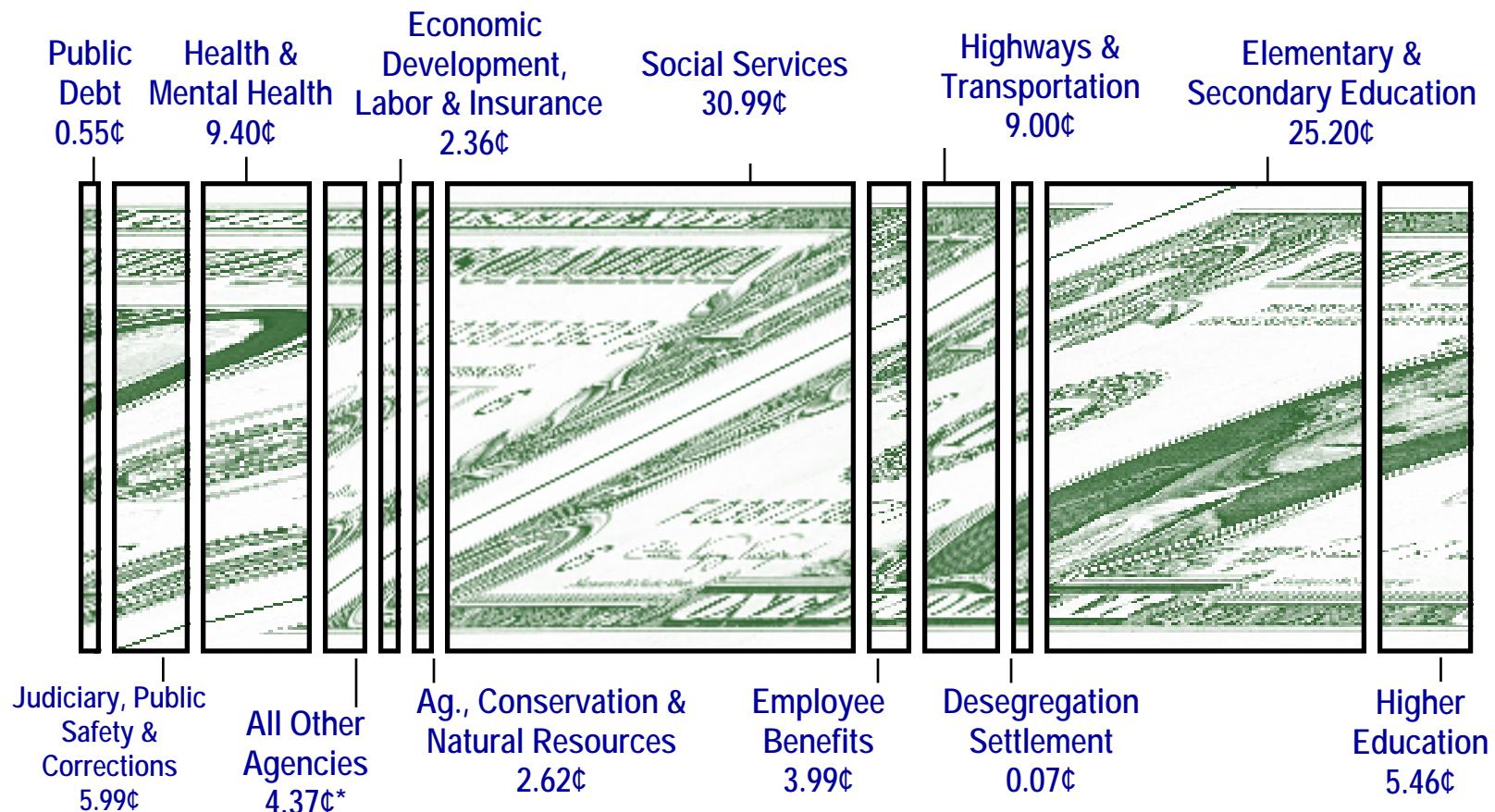
**Lottery Sales does not include lottery prizes (off budget).

***Other State Earmarked Funds: stormwater bonds, Conservation funds, Gaming funds, etc..

DISTRIBUTION OF EACH TAX DOLLAR

FY 2006 AFTER VETO MISSOURI OPERATING BUDGET

All Funds: \$19.166 Billion

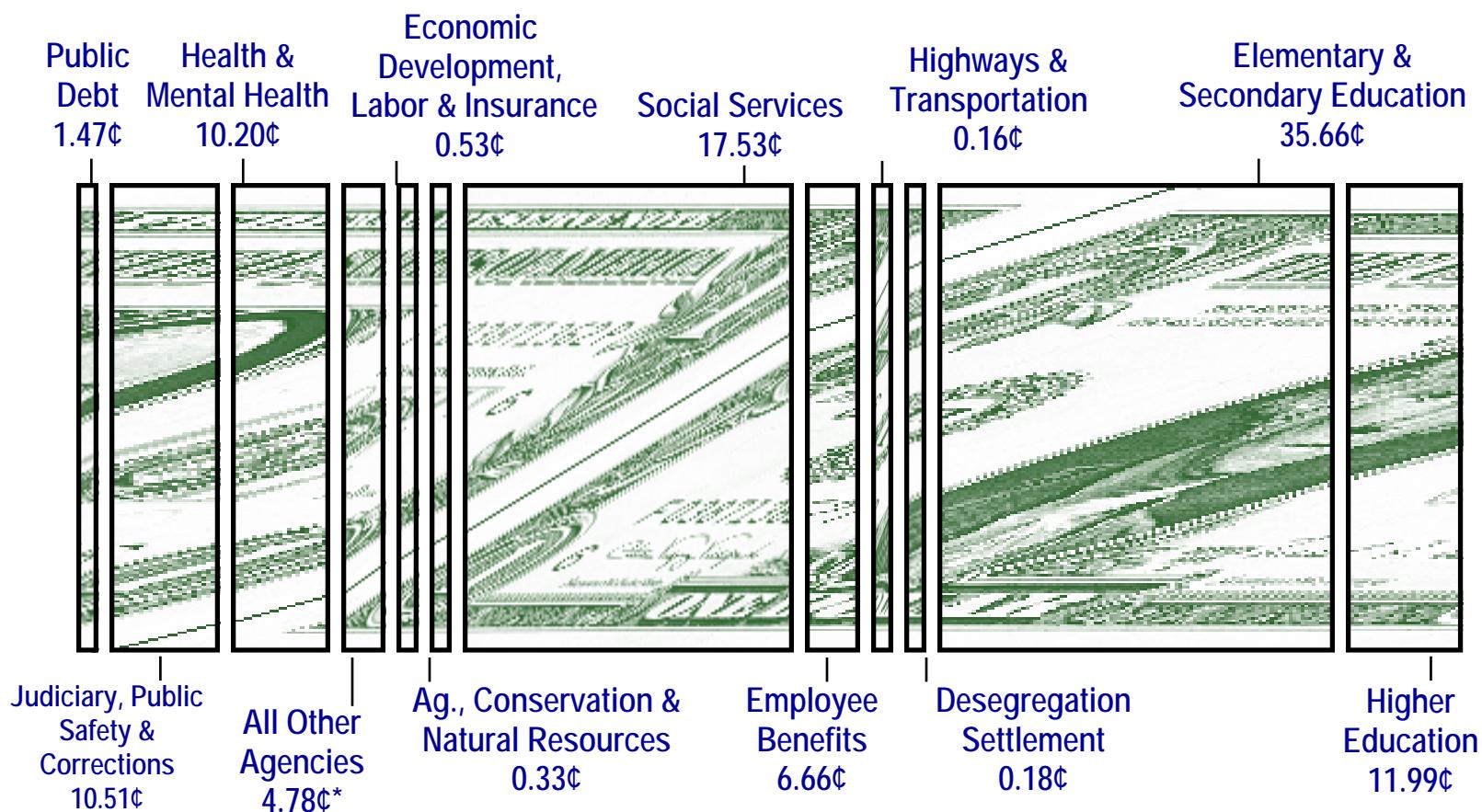


* Revenue, Office of Administration, Elected Officials, General Assembly, Leasing

DISTRIBUTION OF EACH GENERAL REVENUE TAX DOLLAR

FY 2006 AFTER VETO MISSOURI OPERATING APPROPRIATIONS

General Revenue: \$7.138 Billion



* Revenue, Office of Administration, Elected Officials, General Assembly, Leasing

SUMMARY OF GOVERNOR'S VETOES
FY 2006 OPERATING BUDGET,
STATEWIDE LEASING, CAPITAL IMPROVEMENTS, & REAPPROPRIATIONS

House Bill	Department	Section	Amount Vetoed	FTE	Fund	Remarks
3	Higher Education	3.170	\$758,000		GR	For the purpose of funding Agricultural Cooperative Extension & Research Programs at Lincoln University
3	Higher Education	3.227	\$227,335		GR	For the purpose of funding Alzheimer's disease research
3	Higher Education	3.235	\$459,970		GR	For the purpose of funding mental health treatment research
6	Agriculture	6.035	\$44,955	.25	GR	For the purpose of funding sustainable agriculture demonstration projects.
6	Agriculture	6.110	\$74,223		GR	For the purpose of funding replacement laboratory equipment within the Division of Plant Industries.
6	Agriculture	6.150	\$6,000		GR	For the purpose of funding expense & equipment for the State Milk Board.
7	Economic Development	7.005	\$11,446		GR	For the purpose of Minority Scholarships for Business.
7	Economic Development	7.020	\$477,050		OTH	For the purpose of funding Innovations Centers.
7	Economic Development	7.025	\$477,050		GR	For the purpose of funding the General Revenue transfer to the Missouri Technology Investment Fund.
7	Economic Development	7.080	\$300,000		OTH	For the purpose of funding the Missouri Humanities Council.
7	Economic Development	7.105	\$11,200		GR	For the purpose of funding the Missouri Women's Council.
7	Economic Development	7.115	\$4,585,929	3.00	OTH	For the purpose of funding the Division of Tourism.
7	Economic Development	7.125	\$4,585,929		GR	For the purpose of funding the General Revenue transfer to the Division of Tourism Supplemental Revenue Fund.
7	Economic Development	7.175	\$101,785	3.00	GR	For the purpose of funding the Office of Public Counsel.
7	Labor	7.820	\$154,611	4.00	GR	For the purpose of funding the Division of Labor Standards.

7	Labor	7.835	\$63,825		GR	For the purpose of funding the State Board of Mediation.
7	Labor	7.900	\$184,378	4.00	GR	For the purpose of funding the Missouri Commission on Human Rights.
8	Public Safety	8.095	\$86,767		OTH	For the purpose of funding the Missouri State Highway Patrol communications employees pay plan fringe benefits.
8	Public Safety	8.100	\$56,931		GR	For the purpose of funding the Missouri State Highway Patrol.
8	Public Safety	8.140	\$284,572		OTH	For the purpose of funding the Missouri State Highway Patrol communications employees pay plan.
8	Public Safety	8.195	\$62,400	1.00	GR	For the purpose of funding a Veteran's Ombudsman in the Missouri Veteran's Commission.
8	Public Safety	8.195	\$44,000	1.00	OTH	For the purpose of funding a cemetery project manager at Fort Leonard Wood in the Missouri Veteran's Commission.
8	Public Safety	8.290	\$77,465	2.00	GR	For the purpose of funding the State Emergency Management Agency.
10	Mental Health	10.015	\$97,235	1.00	GR	For the purpose of funding program operations in the Office of Director.
10	Mental Health	10.080	\$19,950	.02	GR	For the purpose of funding personal services in the Division of Alcohol and Drug Abuse treatment services.
10	Mental Health	10.100	\$281,658		GR	For the purpose of funding expense and equipment (training) in the Division of Comprehensive Psychiatric Services adult community treatment.
10	Mental Health	10.120	\$210,635		GR	For the purpose of funding expense and equipment (training) in the Division of Comprehensive Psychiatric Services youth community treatment.
10	Mental Health	10.150	\$190,984	6.75	GR	For the purpose of funding personal service at Northwest Missouri Psychiatric Rehabilitation Center.
10	Mental Health	10.155	\$323,992	6.00	GR	For the purpose of funding personal service at St. Louis Psychiatric Rehabilitation Center.
10	Mental Health	10.165	\$112,052	3.00	GR	For the purpose of funding personal service at Hawthorn Children's Psychiatric Hospital.
10	Mental Health	10.170	\$24,103	.80	GR	For the purpose of funding personal service at Cottonwood Residential Treatment Center.

10	Mental Health	10.185	\$294,662	13.00	GR	For the purpose of funding personal service at Southeast Missouri Mental Health Center.
10	Mental Health	10.205	\$45,384	1.00	GR	For the purpose of funding personal service within Division of Mental Retardation-Developmental Disabilities Administration.
10	Mental Health	10.225	\$14,500	.50	GR	For the purpose of funding personal service at the Albany Regional Center.
10	Mental Health	10.230	\$29,244	1.00	GR	For the purpose of funding personal service at the Central Missouri Regional Center.
10	Mental Health	10.240	\$9,512	.33	GR	For the purpose of funding personal service at the Joplin Regional Center.
10	Mental Health	10.245	\$14,500	.50	GR	For the purpose of funding personal service at the Kansas City Regional Center.
10	Mental Health	10.265	\$9,800	.34	GR	For the purpose of funding personal service at the Sikeston Regional Center.
10	Mental Health	10.270	\$9,512	.33	GR	For the purpose of funding personal service at the Springfield Regional Center.
10	Mental Health	10.275	\$29,244	1.00	GR	For the purpose of funding personal service at the St. Louis Regional Center.
10	Health & Senior Services	10.600	\$25,000		GR	For the purpose of funding the St. Louis Cord Blood Bank at Cardinal Glennon Children's Hospital.
10	Health & Senior Services	10.680	\$96,639		GR	For the purpose of funding expense and equipment in the Division of Community Health.
10	Health & Senior Services	10.685	\$250,000		GR	For the purpose of funding the Head Injury program.
10	Health & Senior Services	10.685	\$382,609		GR	For the purpose of funding Community Health Services programs.
10	Health & Senior Services	10.685	\$516,959		GR	For the purpose of funding Genetics programs.
10	Health & Senior Services	10.695	\$54,126		GR	For the purpose of funding the General Revenue match for the WIC Farmer's Market & Senior Farmer's Market programs.
10	Health & Senior Services	10.705	\$742,268	20.90	GR	For the purpose of funding personal service in the Division of Senior Services & Regulation.
11	Social Services	11.035	\$144,286		GR	For the purposes of funding payment of overtime.

11	Social Services	11.080	\$444,670	GR	For the purpose of funding personal service for income maintenance & field staff & operations.
11	Social Services	11.105	\$8,146	GR	For the purpose of funding personal service Community Partnerships.
11	Social Services	11.105	\$194,000	GR	For the purpose of funding Community Partnership grants and contracts.
11	Social Services	11.105	\$150,000	GR	For the purpose of funding an organization that operates a community & cyber learning center providing services to children & adults in neighborhood communities in St. Louis.
11	Social Services	11.105	\$300,000	GR	For the purpose of funding three additional mentoring programs (children in foster care, children of incarcerated parents, and disadvantaged youth).
11	Social Services	11.105	\$150,000	FED	For the purpose of funding three additional mentoring programs (children in foster care, children of incarcerated parents, and disadvantaged youth).
11	Social Services	11.220	\$171,315	GR	For the purpose of funding the Children's Division field staff and operations.
11	Social Services	11.220	\$84,055	FED	For the purpose of funding the Children's Division field staff and operations.
11	Social Services	11.435	\$2,335,052	FED	For the purpose of funding pharmaceutical payments under the Medicaid and the Missouri Rx Plan.
11	Social Services	11.455	\$500,000	GR	For the purpose of funding a rate increase for emergency room physicians.
11	Social Services	11.455	\$750,000	FED	For the purpose of funding a rate increase for emergency room physicians.
11	Social Services	11.470	\$250,000	GR	For the purpose of funding an expansion of the Program for All-Inclusive Care for the Elderly (PACE).
11	Social Services	11.475	\$500,000	GR	For the purpose of funding a rate increase for emergency air ambulance services.
11	Social Services	11.475	\$750,000	FED	For the purpose of funding a rate increase for emergency air ambulance services.
11	Social Services	11.480	\$5,526,185	GR	For the purpose of funding the payment to comprehensive prepaid health care plans or for payments to providers of health care services.

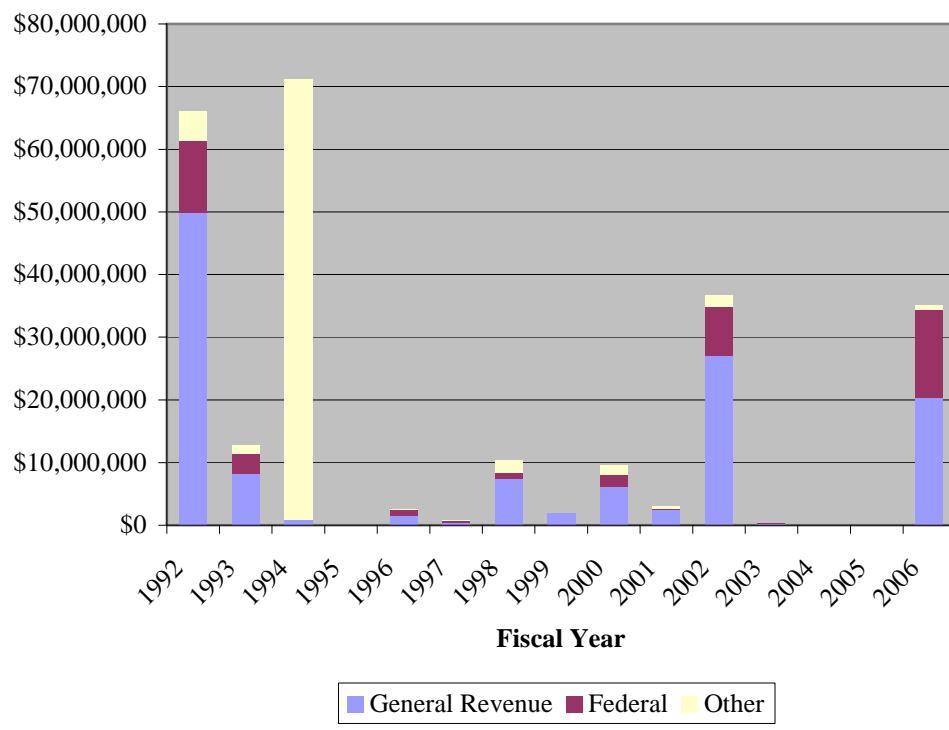
11	Social Services	11.480	\$9,222,234	FED	For the purpose of funding the payment to comprehensive prepaid health care plans or for payments to providers of health care services.
11	Social Services	11.485	\$552,814	GR	For the purpose of funding hospital care services in the Medicaid program.
11	Social Services	11.485	\$449,607	FED	For the purpose of funding hospital care services in the Medicaid program.
11	Social Services	11.505	\$1,741	GR	For the purpose of funding extended women's health services (managed care contract).
11	Social Services	11.505	\$2,809	FED	For the purpose of funding extended women's health services (managed care contract).
11	Social Services	11.510	\$286,259	GR	For the purpose of funding children's health insurance program (managed care contract).
11	Social Services	11.510	\$298,217	FED	For the purpose of funding children's health insurance program (managed care contract).
13	Leasing	13.137	\$155,760	GR	For the purpose of funding parking leases for the public defender.

TOTAL FY 2006 VETOES

General Revenue Fund	\$20,327,247
Federal Funds	14,041,974
Other State Funds	<u>715,339</u>
Total of FY 2006 Vetoes (FTE)	\$35,084,560 (74.72)

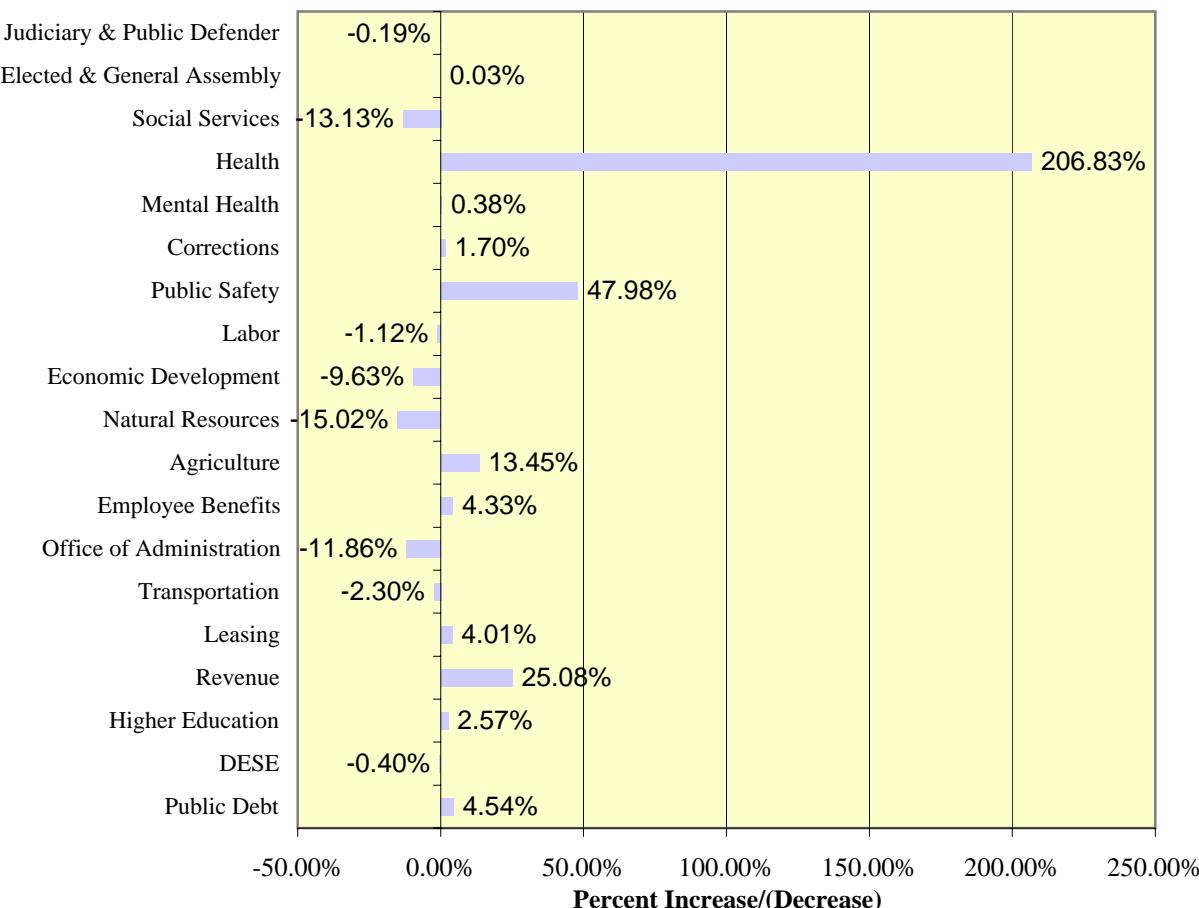
Governor Veto History

Fiscal Years 1992 - 2006



FY 2005 Actual vs. FY 2006 GR Appropriation

Department/Agency	FY 2005 Actual	FY 2006	Difference	% Change
Public Debt	\$ 100,301,314	\$ 104,855,732	\$ 4,554,418	4.54%
DESE	2,568,539,993	2,558,361,252	(10,178,741)	-0.40%
Higher Education	834,519,478	855,961,813	21,442,335	2.57%
Revenue	76,582,278	95,788,938	19,206,660	25.08%
Leasing	23,852,224	24,809,742	957,518	4.01%
Transportation	11,759,808	11,489,115	(270,693)	-2.30%
Office of Administration	166,602,191	146,838,265	(19,763,926)	-11.86%
Employee Benefits	455,603,218	475,323,434	19,720,216	4.33%
Agriculture	14,530,608	16,484,499	1,953,891	13.45%
Natural Resources	7,815,188	6,641,165	(1,174,023)	-15.02%
Economic Development	39,291,273	35,509,307	(3,781,966)	-9.63%
Labor	2,518,257	2,490,016	(28,241)	-1.12%
Public Safety	43,654,130	64,597,706	20,943,576	47.98%
Corrections	508,151,066	516,768,254	8,617,188	1.70%
Mental Health	512,762,733	514,691,270	1,928,537	0.38%
Health	69,755,302	214,031,019	144,275,717	206.83%
Social Services	1,440,510,824	1,251,364,386	(189,146,438)	-13.13%
Elected & General Assembly	73,872,737	73,891,221	18,484	0.03%
Judiciary & Public Defender	169,159,518	168,830,622	(328,896)	-0.19%
TOTALS	7,119,782,140	7,138,727,756	18,945,616	0.27%



Section II

FISCAL YEAR 2006 DEPARTMENTAL BUDGET INFORMATION

MAJOR OPERATING BUDGET CHANGES FOR FY 2006

HB 1 – PUBLIC DEBT

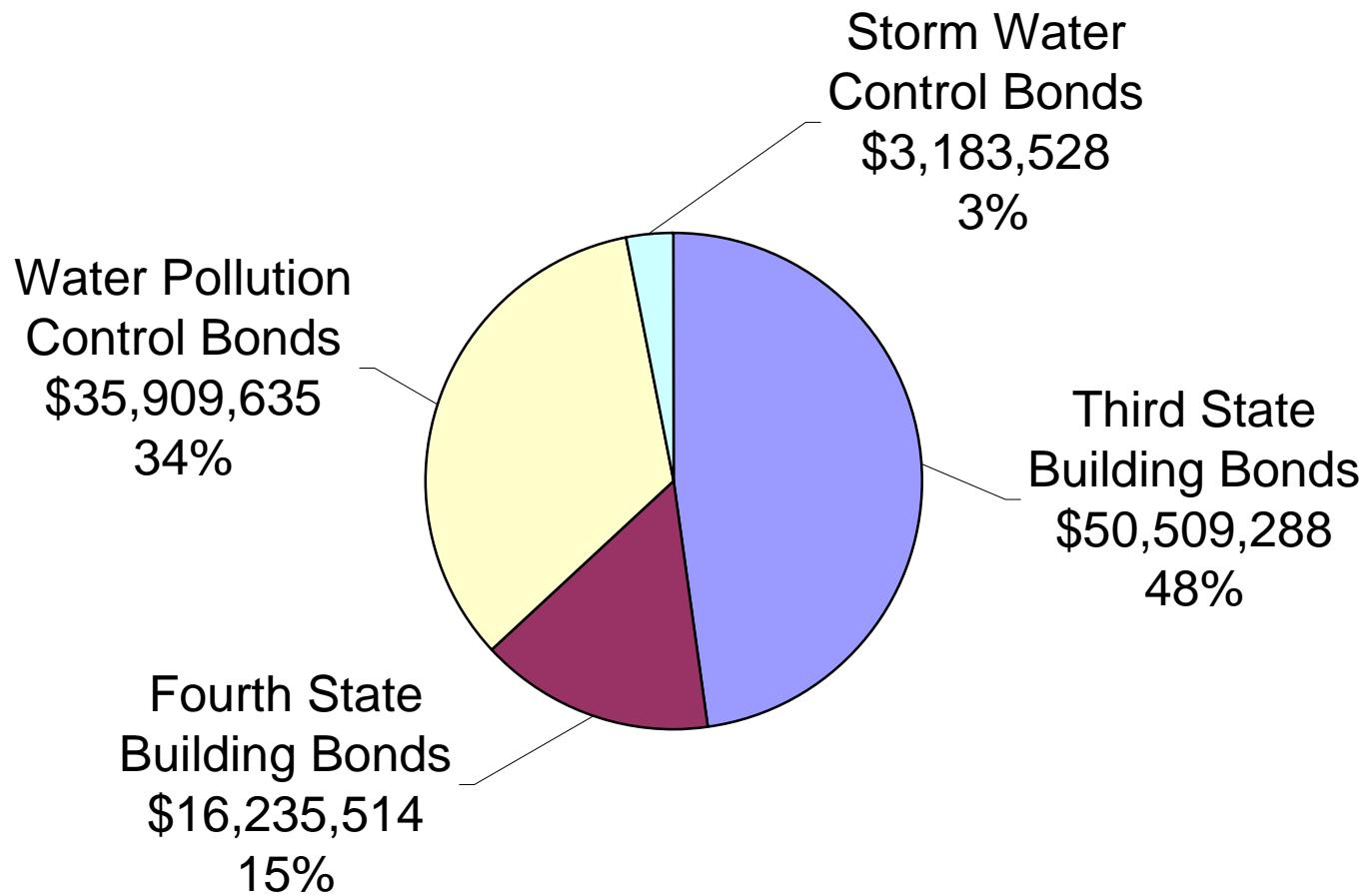
Fund	FY 2005 <u>Appropriation</u>	FY 2006 <u>After Veto</u>	Percentage <u>Change</u>
GR	\$103,045,815	\$104,855,732	1.8%
FED	0	0	0.0%
OTHER	<u>996,472</u>	<u>1,002,235</u>	<u>0.6%</u>
TOTAL	\$104,042,287	\$105,857,967	1.7%

- Water Pollution Control Bonds-protection of the environment through the control of water pollution
- Third State Building Bonds-provides funds for improvements of State buildings and property
- Fourth State Building Bonds-provides funds for improvements of buildings and property of higher education institutions, the Department of Corrections and the Division of Youth Services
- Stormwater Control Bonds-protection of the environment through the control of stormwaters

FY 2006 Public Debt

General Obligation Bond Principal & Interest Payment Distribution

\$105,837,965



MAJOR OPERATING BUDGET CHANGES FOR FY 2006

HB 2 – DEPT. OF ELEMENTARY AND SECONDARY EDUCATION

<u>Fund</u>	<u>FY 2005 Appropriation</u>	<u>FY 2006 After Veto</u>	<u>Percentage Change</u>
GR	\$2,562,386,690	\$2,558,361,252	(0.2%)
FED	995,086,690	948,302,067	(4.7%)
OTHER	<u>1,209,356,093</u>	<u>1,336,789,504</u>	<u>10.5%</u>
TOTAL	\$4,766,829,473	\$4,843,452,823	1.6 %
F.T.E.	1,968.15	1,893.46	(3.8%)

Major Changes

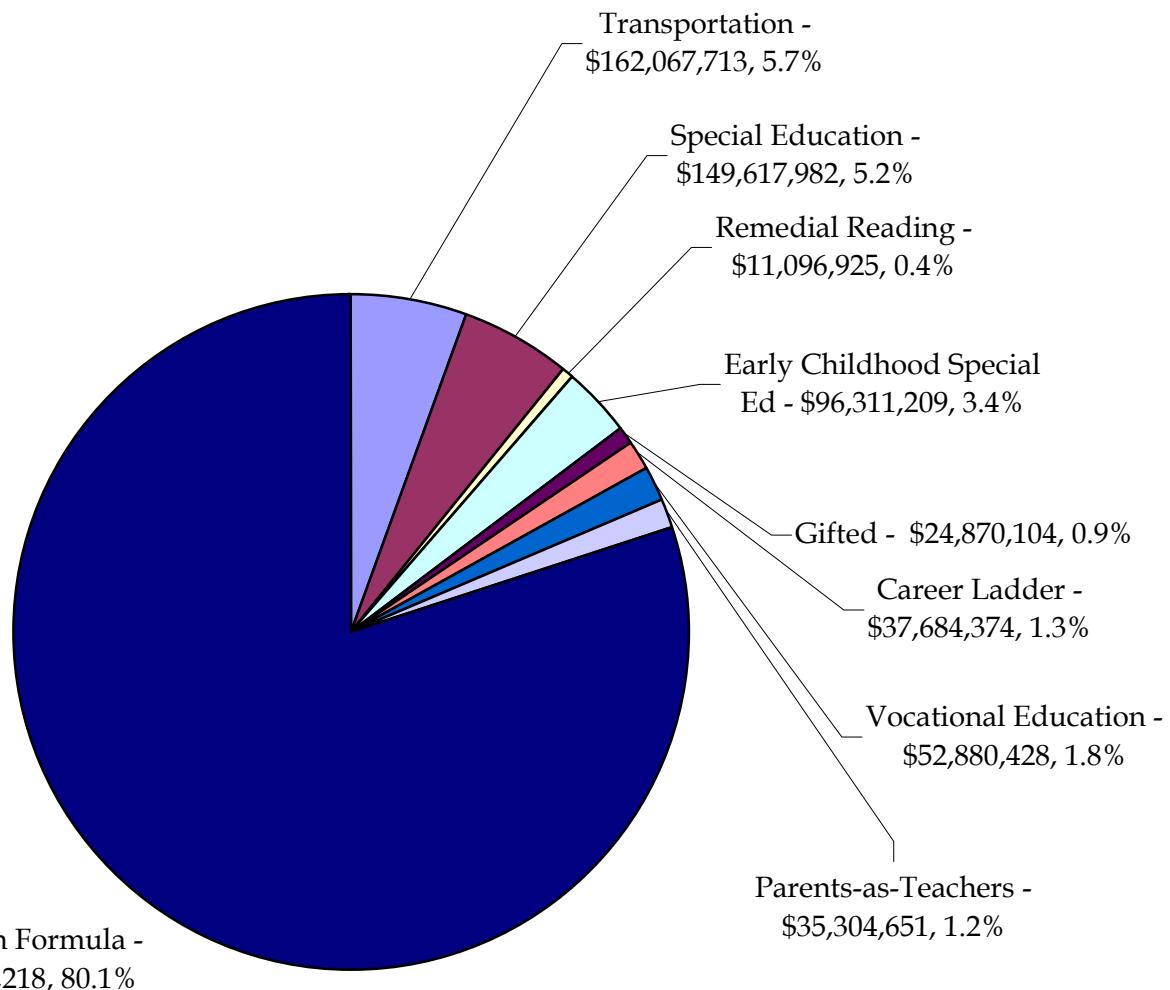
\$113,402,497	Provides for an increase to the Foundation Formula
(\$5,700,000)	Provides for an decrease to the Early Childhood Special Education categorical (lapse – still funded at 100%)
(\$1,000,000)	Provides for an decrease to the Career Ladder categorical (lapse – still funded at 100%)
\$1,000,000	Provides for an increase to the Parents as Teachers categorical
\$48,300,000	Provides an increase in School District Trust Fund distributions (Prop C)
\$12,922,781	Provides for an increase for the school food program (Federal funds)
(\$355,893)	Provides for elimination of funding for AP/Dual Credit subsidy
\$18,000,000	Provides for an increase for special education (Federal funds)
\$1,432,823	Provides for Workforce Investment (Federal funds)
(\$2,128,634)	Provides for ending of grant for Excess Costs for Severely Handicapped (Federal funds)
(\$618,460)	Provides for a decrease for Adult Education and Literacy
\$6,000,000	Provides for new funding for Severely Handicapped Contract Placement costs
\$29,745,762	Provides for an increase in Gaming Proceeds

DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION HB 2 Continued

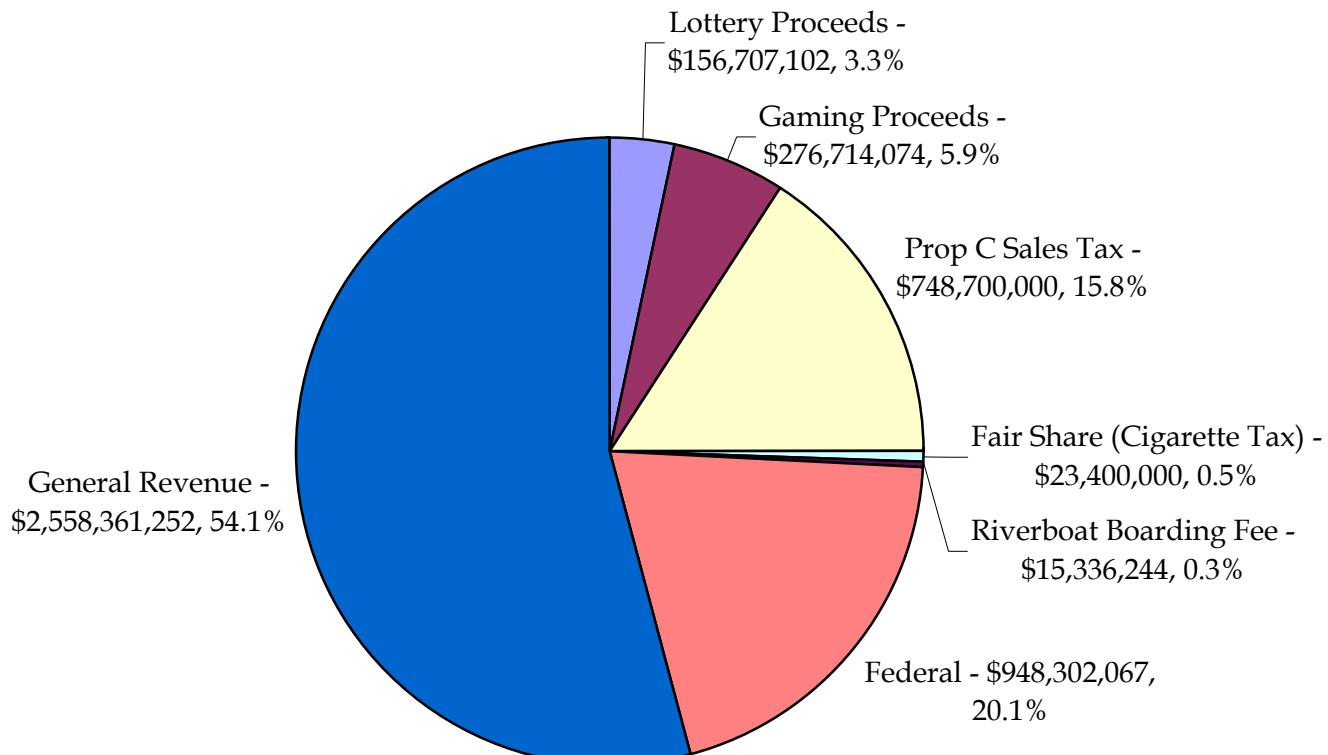
(\$33,299,954) Provides for transfer of Medicaid Fee-for-Service to Social Services
(Federal funds)

(\$45,079,647) FED Provides for transfer of Personal Care Assistance Program to Mental
(\$30,752,563) GR Health

FY 2006
Foundation Program Appropriations by Category
\$2,865,327,604



FY 2006
Appropriations for Elementary and Secondary Education
by Major Fund Source
\$4,727,520,739



MAJOR OPERATING BUDGET CHANGES FOR FY 2006

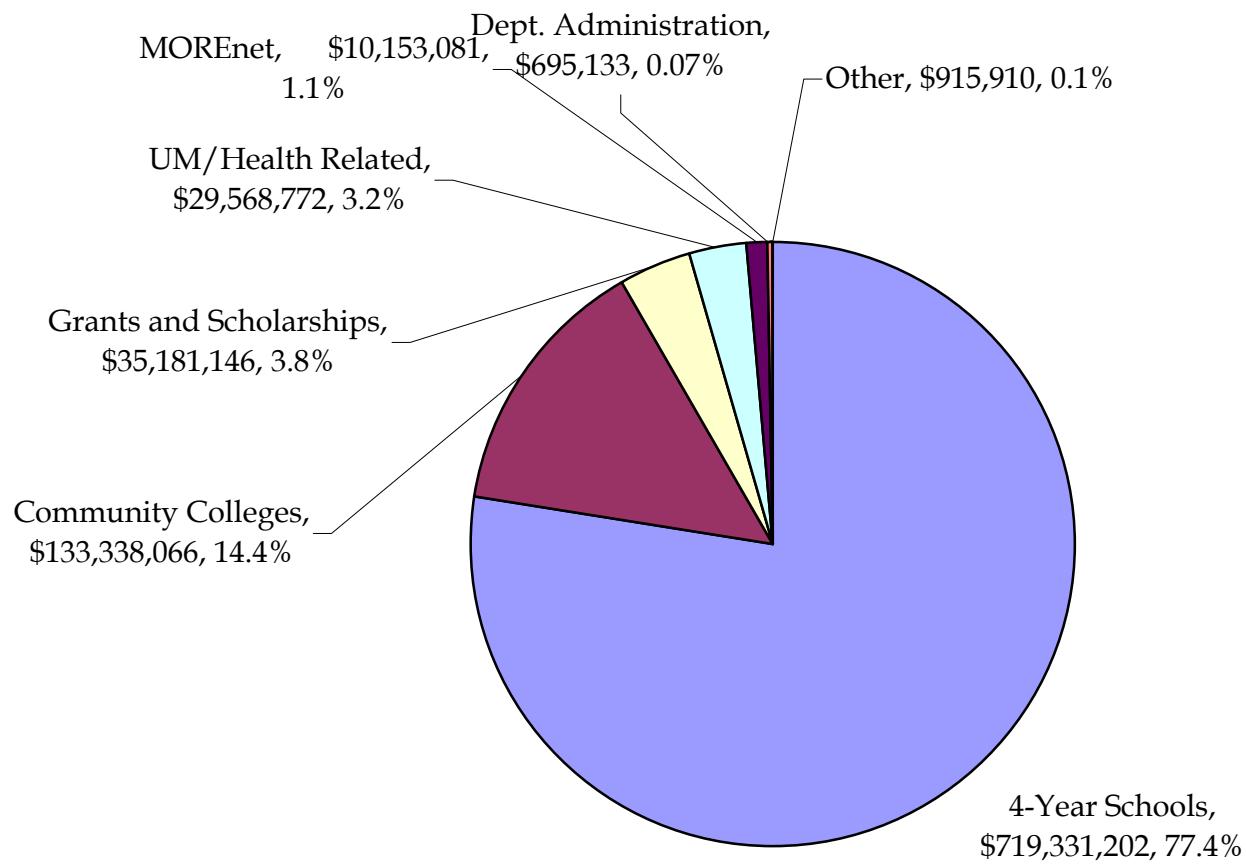
HB 3 – HIGHER EDUCATION

<u>Fund</u>	<u>FY 2005 Appropriation</u>	<u>FY 2006 After Veto</u>	<u>Percentage Change</u>
GR	\$862,342,574	\$855,961,813	(.7%)
FED	6,247,637	6,247,638	0%
OTHER	<u>180,529,321</u>	<u>183,805,883</u>	<u>1.8%</u>
TOTAL	\$1,049,119,532	\$1,046,015,334	(.30%)
F.T.E.	89.73	89.73	0%

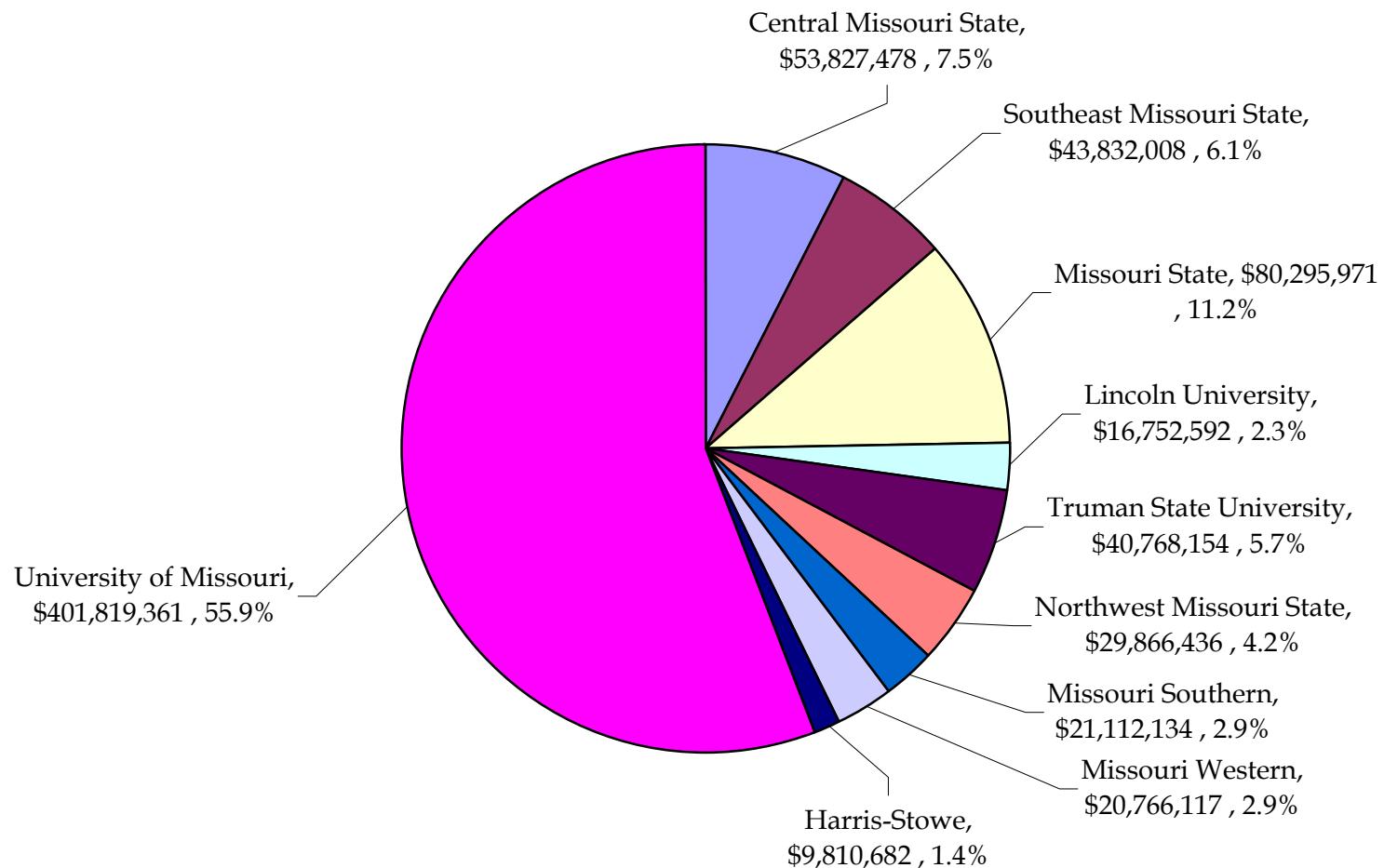
Major Changes

(\$207,279)	Provides for a reduction to Coordinating Board administration
\$1,000,000	Provides an increase to the University of Missouri-Kansas City Dental School
(\$649,539)	Provides for elimination of state funding for MOBIUS – the common library platform
(\$4,351,320)	Provides for a reduction to MOREnet
\$227,375	Restores core cut to Alzheimer's Research
\$459,970	Restores core cut to Missouri Institute of Mental Health
(\$92,260)	Provides for a reduction to the State Historical Society

FY 2006
HIGHER EDUCATION
General Revenue and Lottery Appropriations
\$929,183,310



FY 2006
4-Year College and University State Appropriations
\$718,850,933



MAJOR OPERATING BUDGET CHANGES FOR FY 2006

HB 4 – DEPT. OF REVENUE

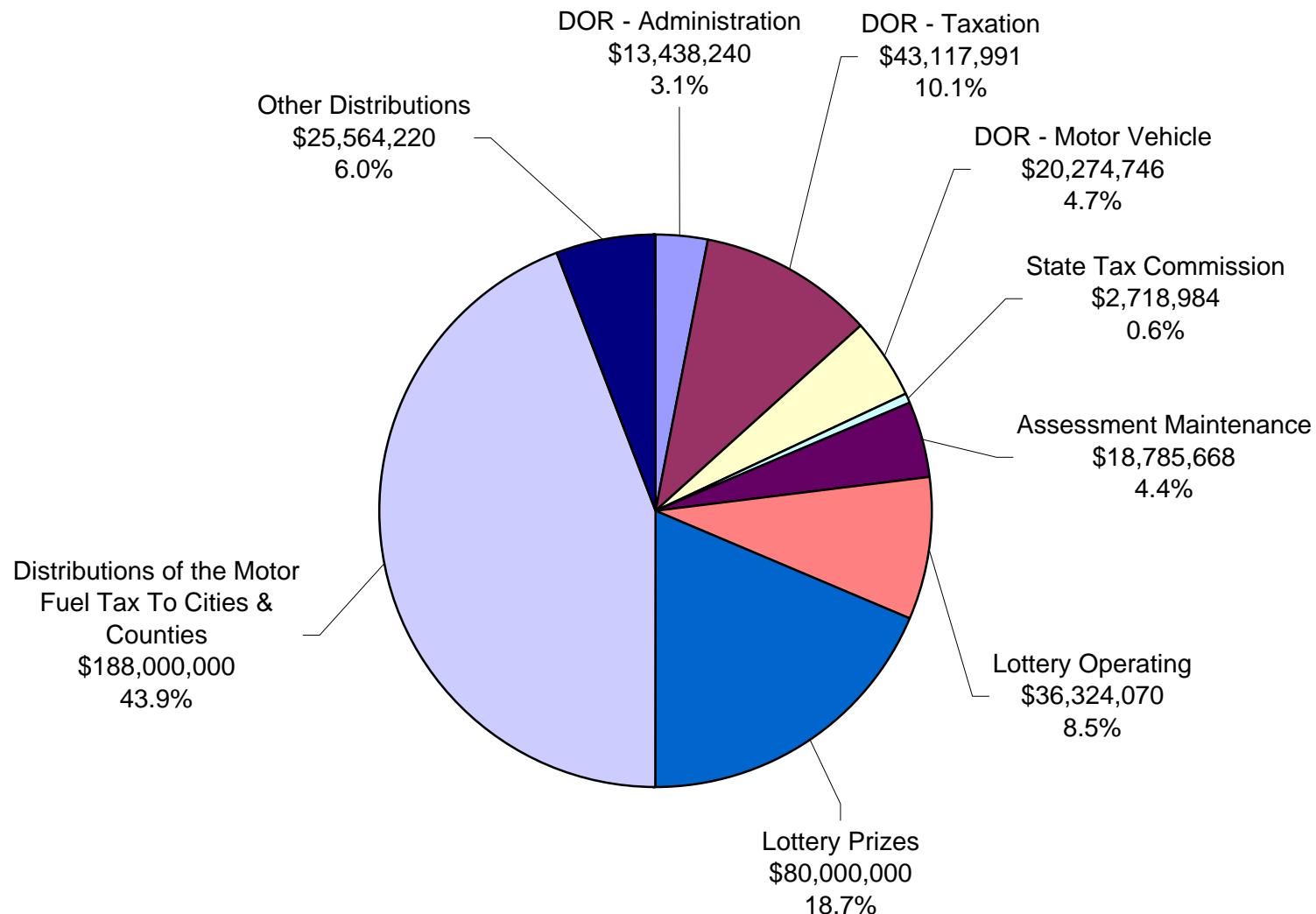
<u>Fund</u>	<u>FY 2005 Appropriation</u>	<u>FY 2006 After Veto</u>	<u>Percentage Change</u>
GR	\$90,400,447	\$95,788,938	6.0%
FED	9,001,789	7,644,994	(15.1%)
OTHER	<u>359,440,252</u>	<u>324,789,987</u>	<u>(9.6%)</u>
TOTAL	\$458,482,488	\$428,223,919	(6.6%)
F.T.E.	2,107.70	1,794.76	(14.8%)

Major Changes

- \$78,657 Provides General Revenue funding to implement HB 795, HB 959, SB 730, SB 1099, SB 1155, and SB 1233
- (\$5,000,000) Provides for a transfer of costs associated with enforcing state motor vehicle laws and traffic regulations to the Highway Patrol
- (\$6,453,698) Provides for a reduction in the Division of Motor Vehicle and Drivers Licensing, which included eliminating the branch offices and 216.50 FTE
- (\$663,568) Provides for a reduction in General Revenue funding for the Division of Administration and a reduction of 15.34 FTE
- (\$491,517) Provides for a reduction in General Revenue funding for the Division of Taxation and a reduction of 6.50 FTE
- (\$2,878,235) Provides for a reduction in Lottery E&E spending
- (\$143,104) Provides for a reduction in General Revenue funding for the State Tax Commission and a reduction of 4.00 FTE

FY 2006 Department of Revenue by Division

\$428,223,919



MAJOR OPERATING BUDGET CHANGES FOR FY 2006

HB 4 – DEPT. OF TRANSPORTATION

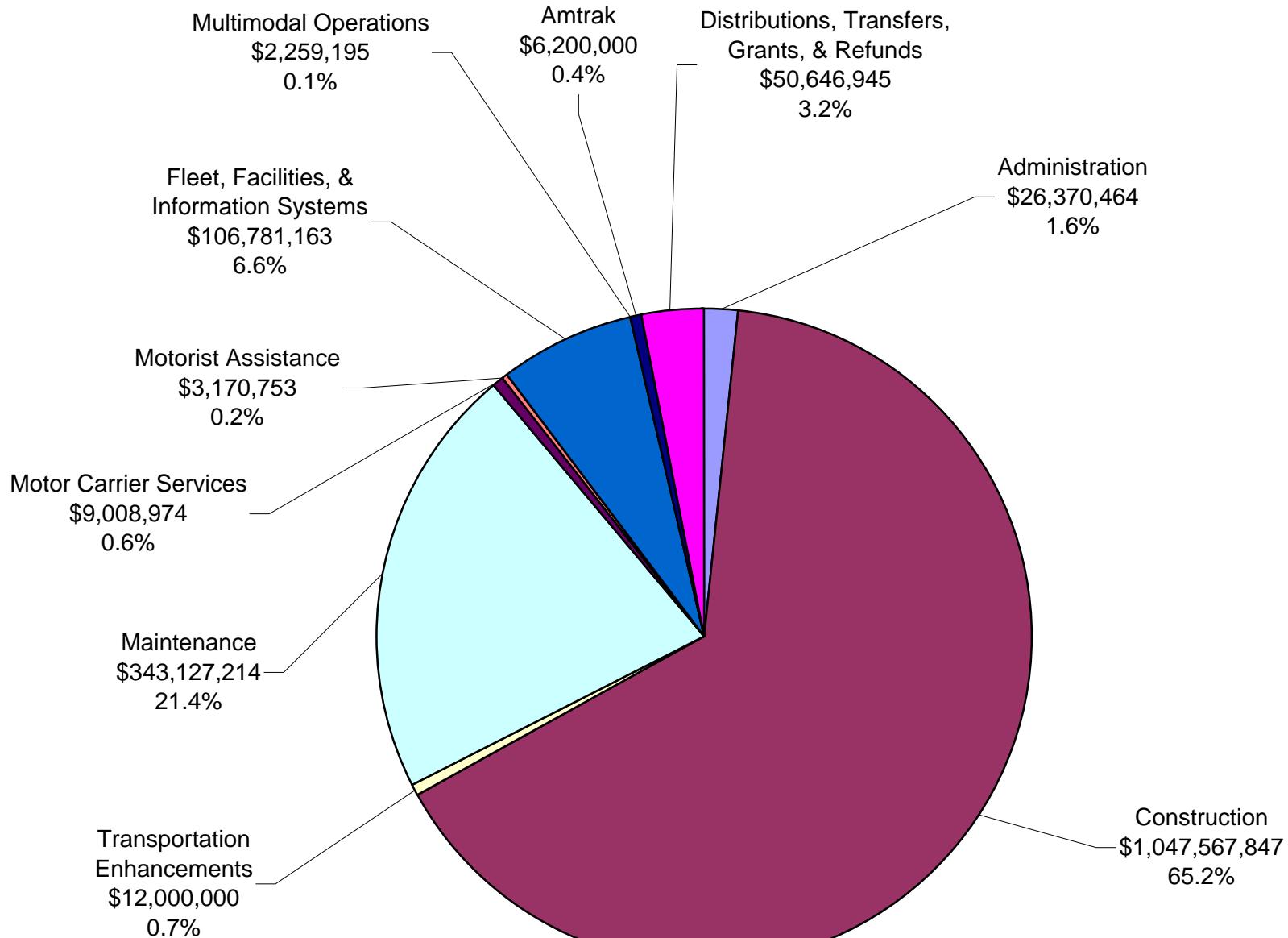
<u>Fund</u>	<u>FY 2005 Appropriation</u>	<u>FY 2006 After Veto</u>	<u>Percentage Change</u>
GR	\$12,162,168	\$11,489,115	(5.5%)
FED	53,276,877	57,431,590	7.8%
OTHER	<u>1,578,332,143</u>	<u>1,656,709,297</u>	<u>5.0%</u>
TOTAL	\$1,643,771,188	\$1,725,630,002	5.0%
F.T.E.	6,688.25	6,990.20	4.5%

Major Changes

\$12,865,465	Estimated additional state and federal revenue available for new construction projects
\$44,916,034	Estimated additional state and federal revenue available for maintenance projects
\$1,449,538	Additional funding needed to cover the debt service on \$903 million in outstanding bonds
\$1,000,000	Provides for additional funding for port capital improvements projects
\$149,927	Provides for an increase in funding for Missouri Elderly and Handicapped Transportation Assistance

FY2006 Department of Transportation by Division

\$1,725,630,002



MAJOR OPERATING BUDGET CHANGES FOR FY 2006

HB 5 – OFFICE OF ADMINISTRATION

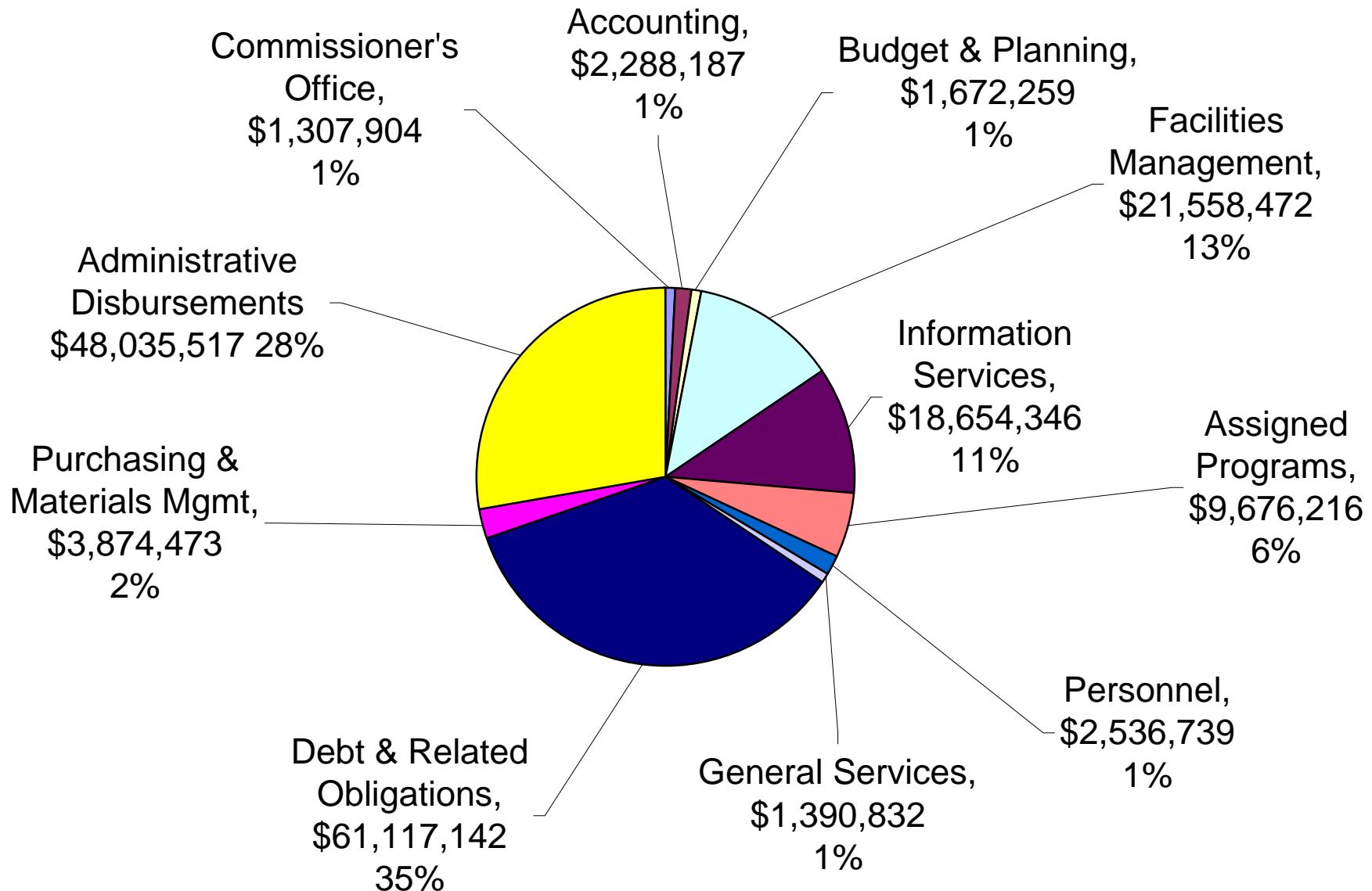
<u>Fund</u>	<u>FY 2005 Appropriation</u>	<u>FY 2006 After Veto</u>	<u>Percentage Change</u>
GR	\$153,139,380	\$146,838,265	(4.1%)
FED	9,568,718	16,116,423	68.4%
OTHER	<u>9,734,796</u>	<u>9,157,399</u>	<u>(5.9%)</u>
TOTAL	\$172,442,894	\$172,112,087	(0.2%)
F.T.E.	934.47	829.50	(11.2%)

Major Changes

- \$6,100,000 Provides additional funding for the reimbursement to counties for costs in criminal cases
- \$6,609,817 Provides federal funds for justice integration to ensure greater operability between criminal justice agencies
- (\$3,602,054) Provides for reductions of personal service and expense & equipment, including the consolidation of the Divisions of Design & Construction and Facilities Management
- (\$4,284,000) Transfers the special election costs funding to the Secretary of State's Office
- (\$4,762,229) Provides for a one-time reduction in debt service payments due to refinancing opportunities

FY 2006 OFFICE OF ADMINISTRATION

\$172,112,087



MAJOR OPERATING BUDGET CHANGES FOR FY 2006

HB 5 – EMPLOYEE BENEFITS

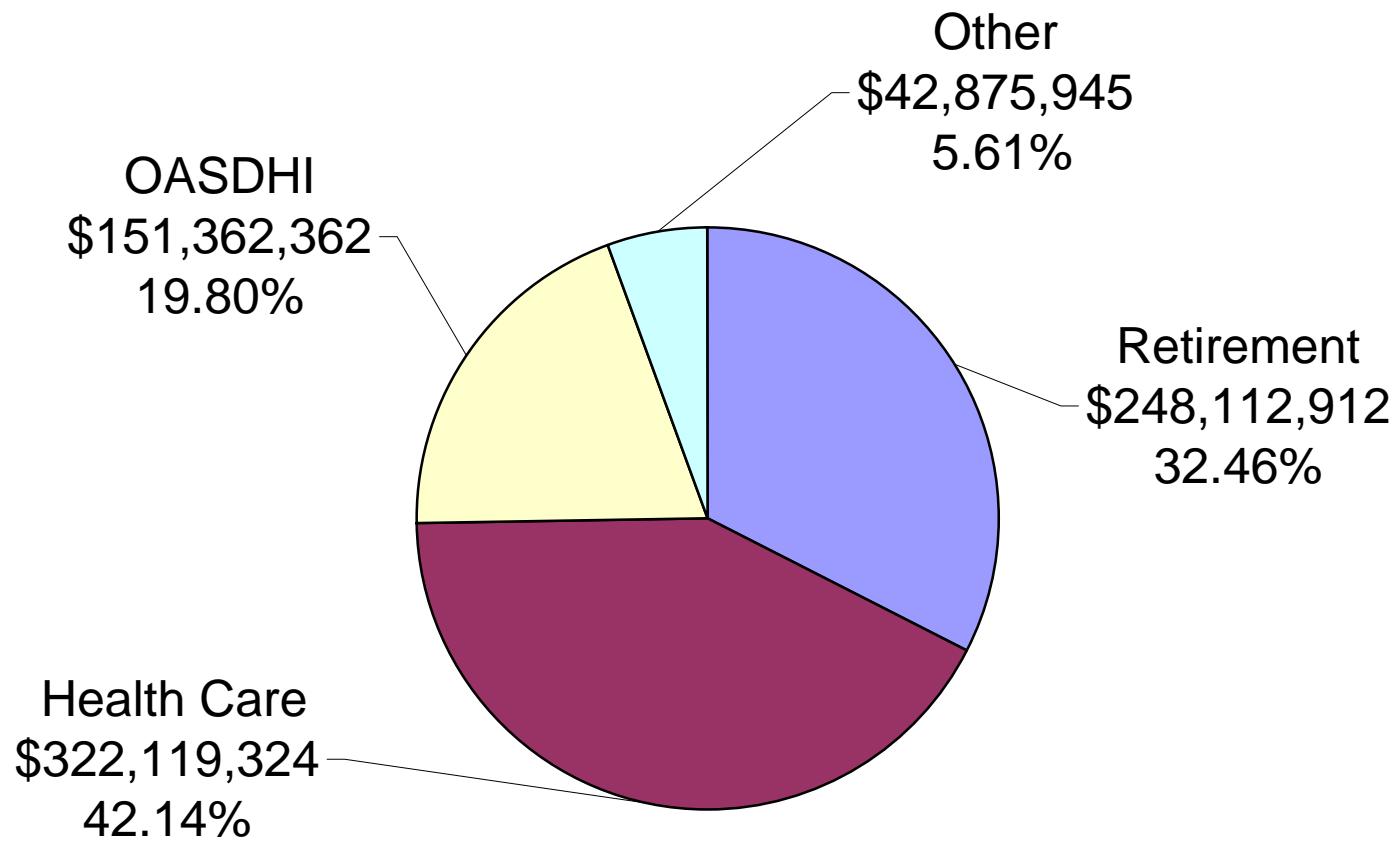
<u>Fund</u>	<u>FY 2005 Appropriation</u>	<u>FY 2006 After Veto</u>	<u>Percentage Change</u>
GR	\$445,183,121	\$475,323,434	6.8%
FED	139,645,514	147,578,286	5.7%
OTHER	<u>136,843,417</u>	<u>141,568,823</u>	<u>3.5%</u>
TOTAL	\$721,672,052	\$764,470,543	5.9%

Major Changes

\$37,664,000	Provides for additional funding for increases in retirement contributions for state employees
\$7,000,000	Provides for additional funding for increases in health care contributions for state employees
\$2,900,000	Provides for additional funding for workers' compensation benefits

FY 2006 State Employee Benefits

\$764,470,543



MAJOR OPERATING BUDGET CHANGES FOR FY 2006

HB 6 – DEPT. OF AGRICULTURE

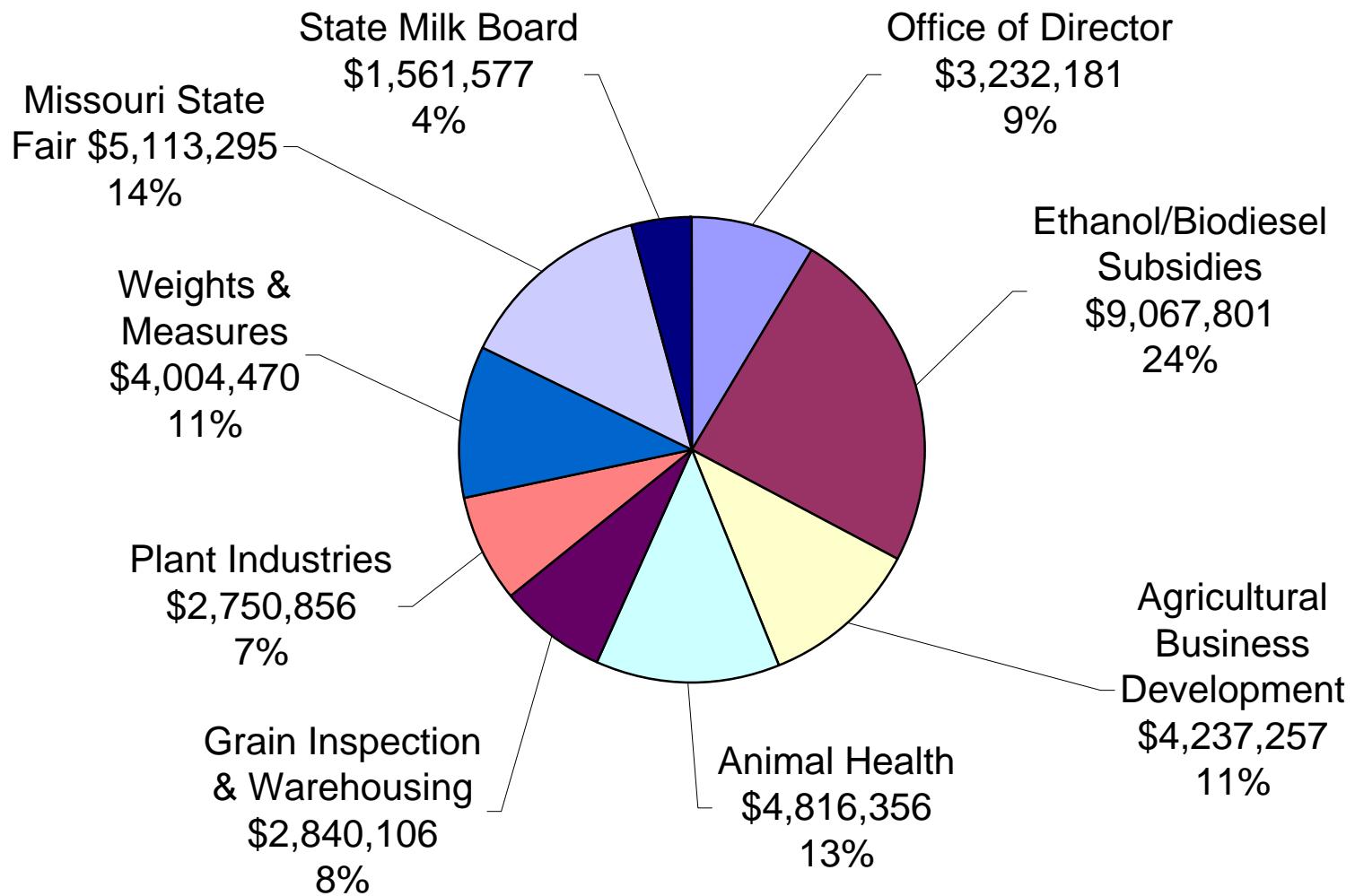
<u>Fund</u>	<u>FY 2005 Appropriation</u>	<u>FY 2006 After Veto</u>	<u>Percentage Change</u>
GR	\$15,248,217	\$16,484,499	8.1%
FED	5,490,357	5,443,995	(0.8%)
OTHER	<u>15,354,316</u>	<u>15,695,405</u>	<u>2.2%</u>
TOTAL	\$36,092,890	\$37,623,899	4.2%
F.T.E.	444.85	423.05	(4.9%)

Major Changes

\$172,715	Provides funding for 3 FTE federally funded for continuation of the Animal Identification system
\$32,500	Provides funding for an additional Animal Care Inspector
\$2,600,000	Provides funding for additional GR ethanol subsidies, bringing the FY 06 GR core to \$7,967,800
\$384,120	Provides funding for increased promotion of Missouri's wine industry and additional research at the Mid-American Viticulture and Enology Center
(\$1,328,940)	Provides for a reduction in Personal Service and Expense and Equipment
\$13,000	Provides for first year of three-year replacement of package inspection scales
\$41,742	Provides for replacement of 1,200 kg mass comparator equipment

FY 2006 Department of Agriculture

\$37,623,899



MAJOR OPERATING BUDGET CHANGES FOR FY 2006

HB 6 – DEPT. OF NATURAL RESOURCES

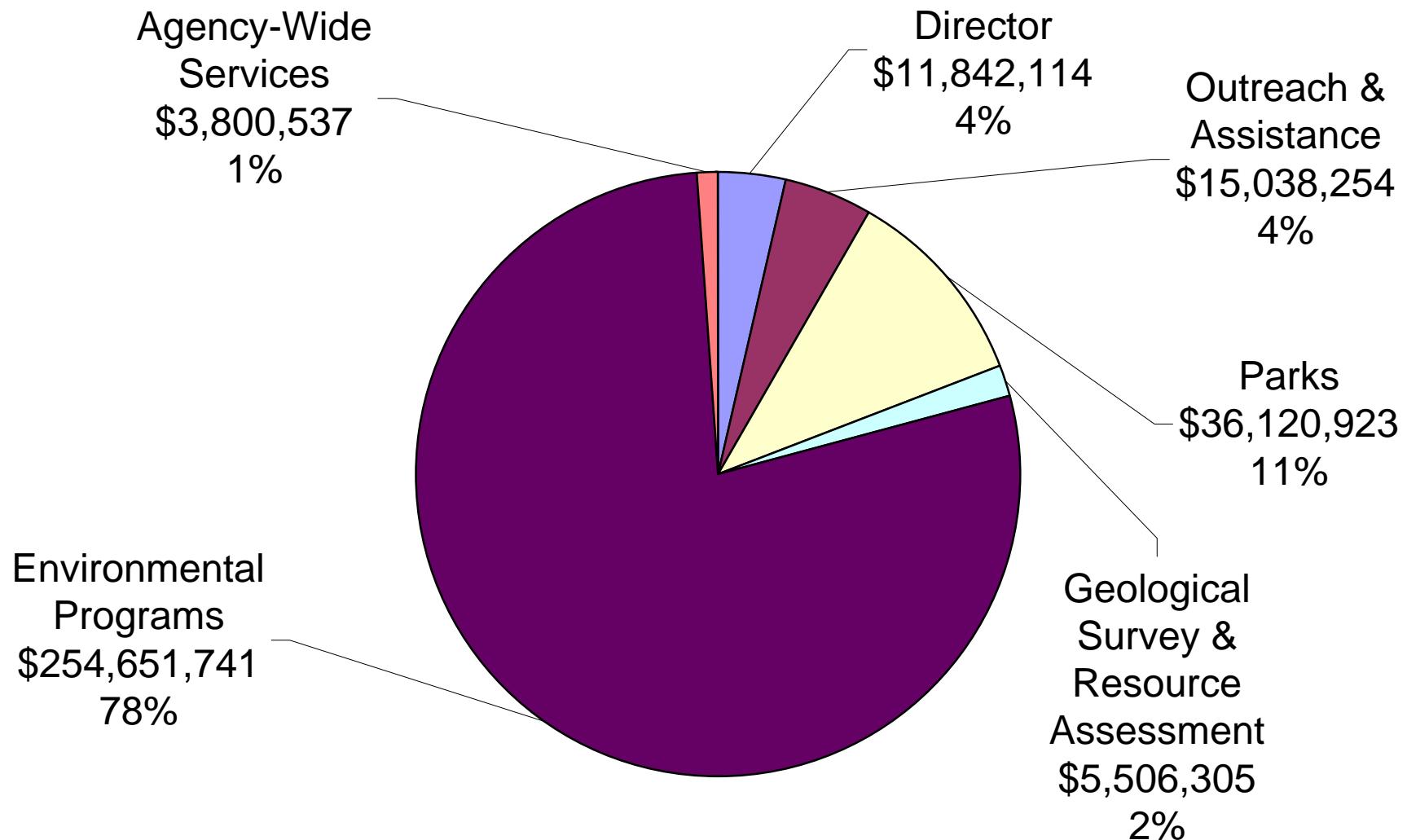
<u>Fund</u>	<u>FY 2005 Appropriation</u>	<u>FY 2006 After Veto</u>	<u>Percentage Change</u>
GR	\$8,521,062	\$6,641,165	(22.1%)
FED	45,192,505	44,618,355	(1.3%)
OTHER	<u>275,220,522</u>	<u>275,700,354</u>	<u>0.2%</u>
TOTAL	\$328,934,089	\$326,959,874	(0.6%)
F.T.E.	1,987.12	1,945.88	(2.1%)

Major Changes

\$231,040	Provides for additional benefits to Soil and Water District employees
(\$474,539)	Provides for a fund shift of GR to Solid Waste fees, pending legislation
(\$1,512,569)	Provides for a reduction in GR Personal Service and Expense and Equipment Administrative Reductions
\$100,000	Provides for a GR transfer to the Historic Preservation Revolving Fund

FY 2006 Department of Natural Resources

\$326,959,874



MAJOR OPERATING BUDGET CHANGES FOR FY 2006

HB 6 – DEPT. OF CONSERVATION

<u>Fund</u>	<u>FY 2005 Appropriation</u>	<u>FY 2006 After Veto</u>	<u>Percentage Change</u>
GR	\$0	\$0	0%
FED	0	0	0%
OTHER	<u>133,931,123</u>	<u>137,196,601</u>	<u>2.4%</u>
TOTAL	<u>\$133,931,123</u>	<u>\$137,196,601</u>	<u>2.4%</u>
F.T.E.	1,871.61	1,871.61	0%

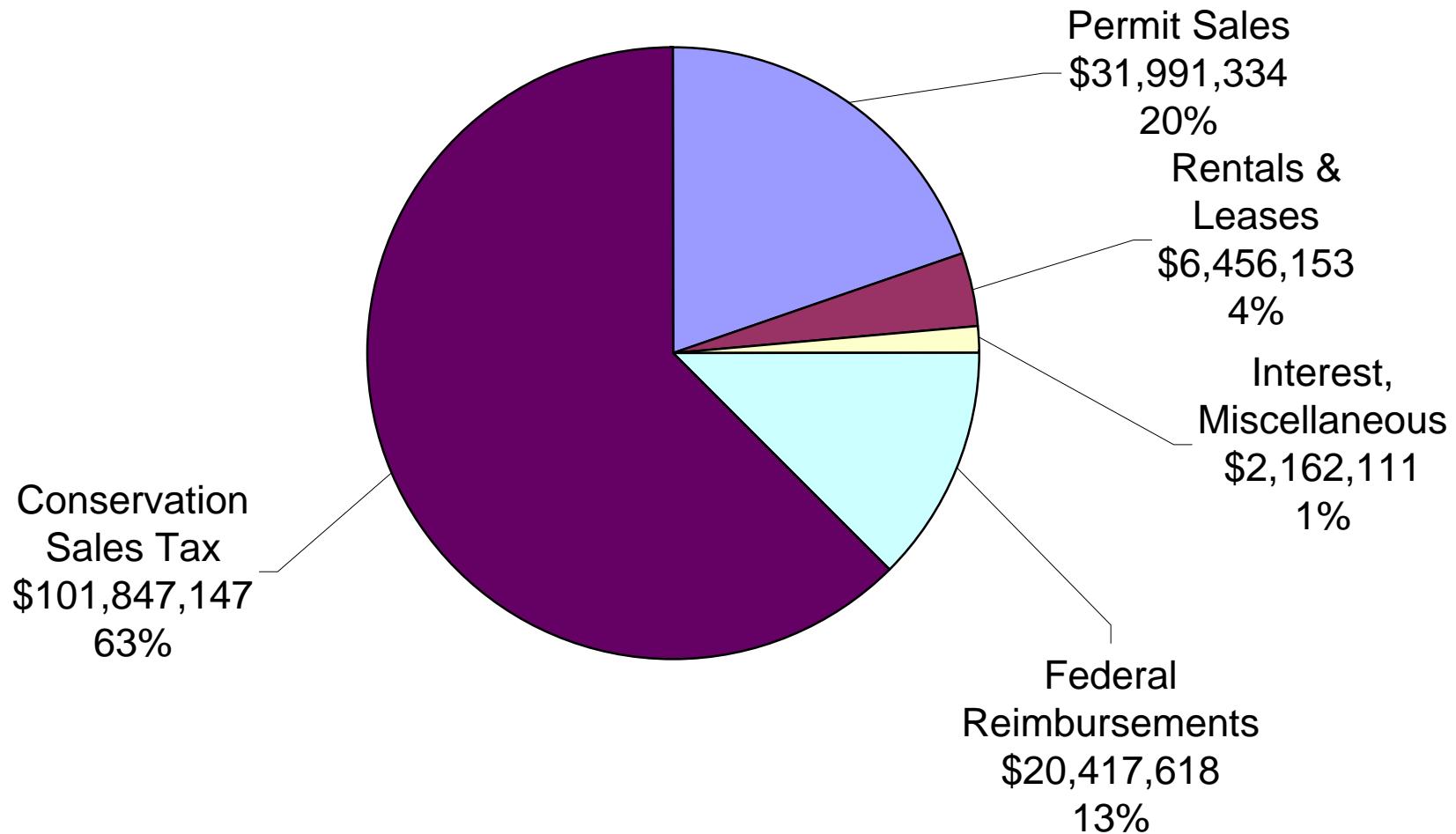
Major Changes

\$1,016,918 Provides funding for an increase in health insurance costs

\$1,774,200 Provides funding for increased program costs, including fuel, utilities and construction supplies

FY 2006 Conservation Commission Fund

Estimated Revenue: \$162,874,363



MAJOR OPERATING BUDGET CHANGES FOR FY 2006

HB 7 – DEPT. OF ECONOMIC DEVELOPMENT

<u>Fund</u>	<u>FY 2005 Appropriation</u>	<u>FY 2006 After Veto</u>	<u>Percentage Change</u>
GR	\$44,195,819	\$35,509,307	(19.7%)
FED	163,389,259	163,032,156	(0.2%)
OTHER	69,227,236	73,135,407	5.6%
TOTAL	\$276,812,314	\$271,676,870	(1.9%)
F.T.E.	1,466.66	1,432.54	(2.3%)

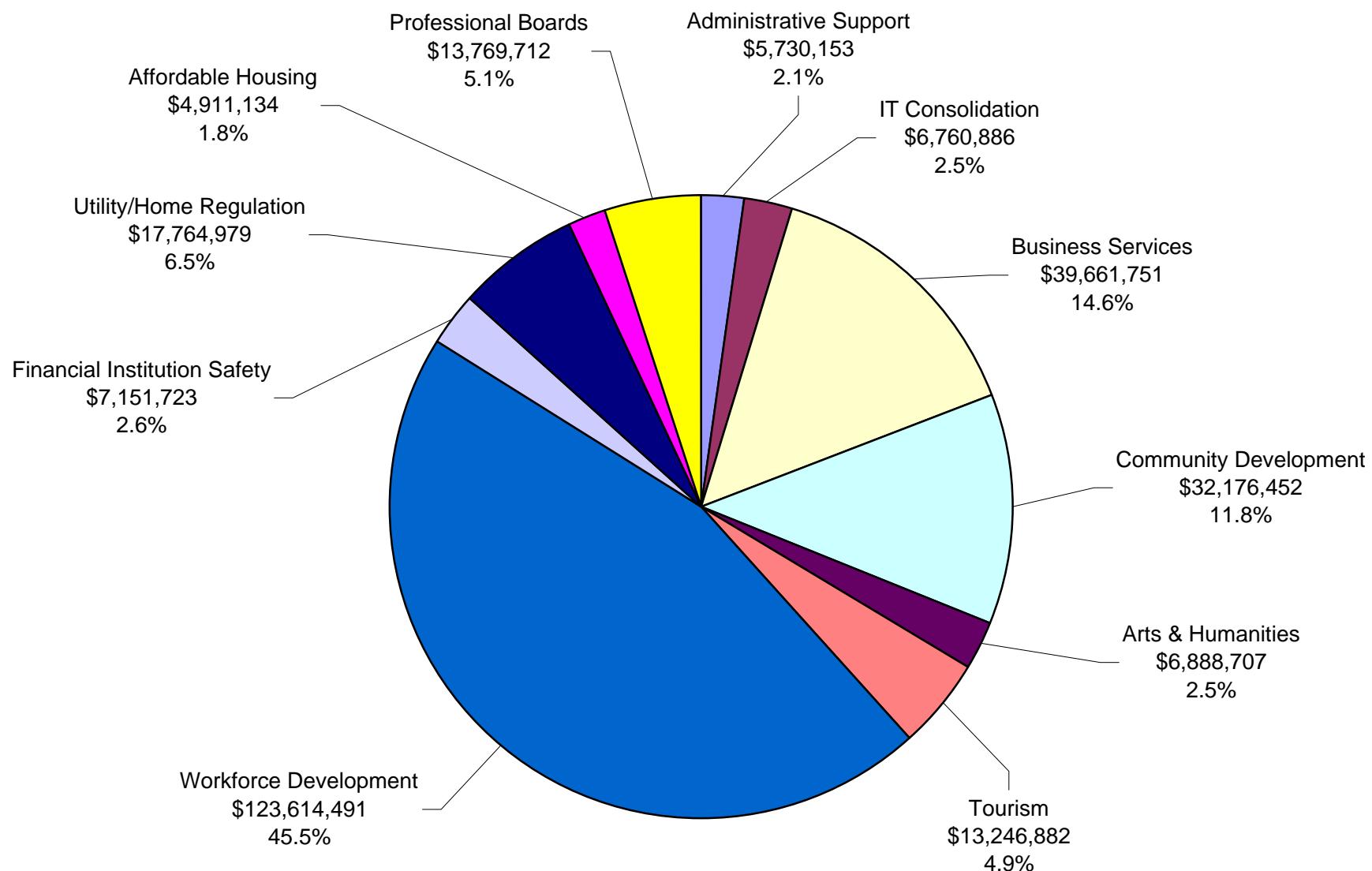
Major Changes

\$1,000,000	Provides funding for pay increases for bank examiners
\$300,000	Provides funding for pay increases for credit union examiners
\$150,000	Provides for funding the Kirksville Innovation Center
\$5,000,000	Provides funding for the Jobs Retention Training Program
\$600,000	Provides for a GR transfer to the Missouri Arts Council Trust Fund
\$100,000	Provides for a GR transfer to the Missouri Humanities Council Trust Fund
(\$4,585,929)	Provides for a 25% reduction in the General Revenue transfer to Tourism, including a reduction of 3.00 FTE (Veto)
(\$1,563,746)	Provides for a department-wide General Revenue reduction in Personal Service and Expense and Equipment, including a reduction of 13.12 FTE
(\$1,560,754)	Provides for a reduction in funding for the PSC, at the Department's request, including a reduction of 12.00 FTE
(\$1,300,748)	Eliminates the funding for the Community Development Corporation Grant Program
(\$1,000,000)	Provides for a General Revenue reduction in excess appropriation for TIF
(\$1,000,000)	Provides for a General Revenue reduction in excess appropriation for the Missouri Job Development Program
(\$477,505)	Provides for a 25% reduction in funding for existing Innovation Centers (Veto)

DEPARTMENT OF ECONOMIC DEVELOPMENT HB 7 Continued

(\$364,269) Provides for a reduction in funding for the Missouri Manufacturing Extension Program

FY 2006 Department of Economic Development Funding by Division
\$271,676,870



MAJOR OPERATING BUDGET CHANGES FOR FY 2006

HB 7 – DEPT. OF LABOR & INDUSTRIAL RELATIONS

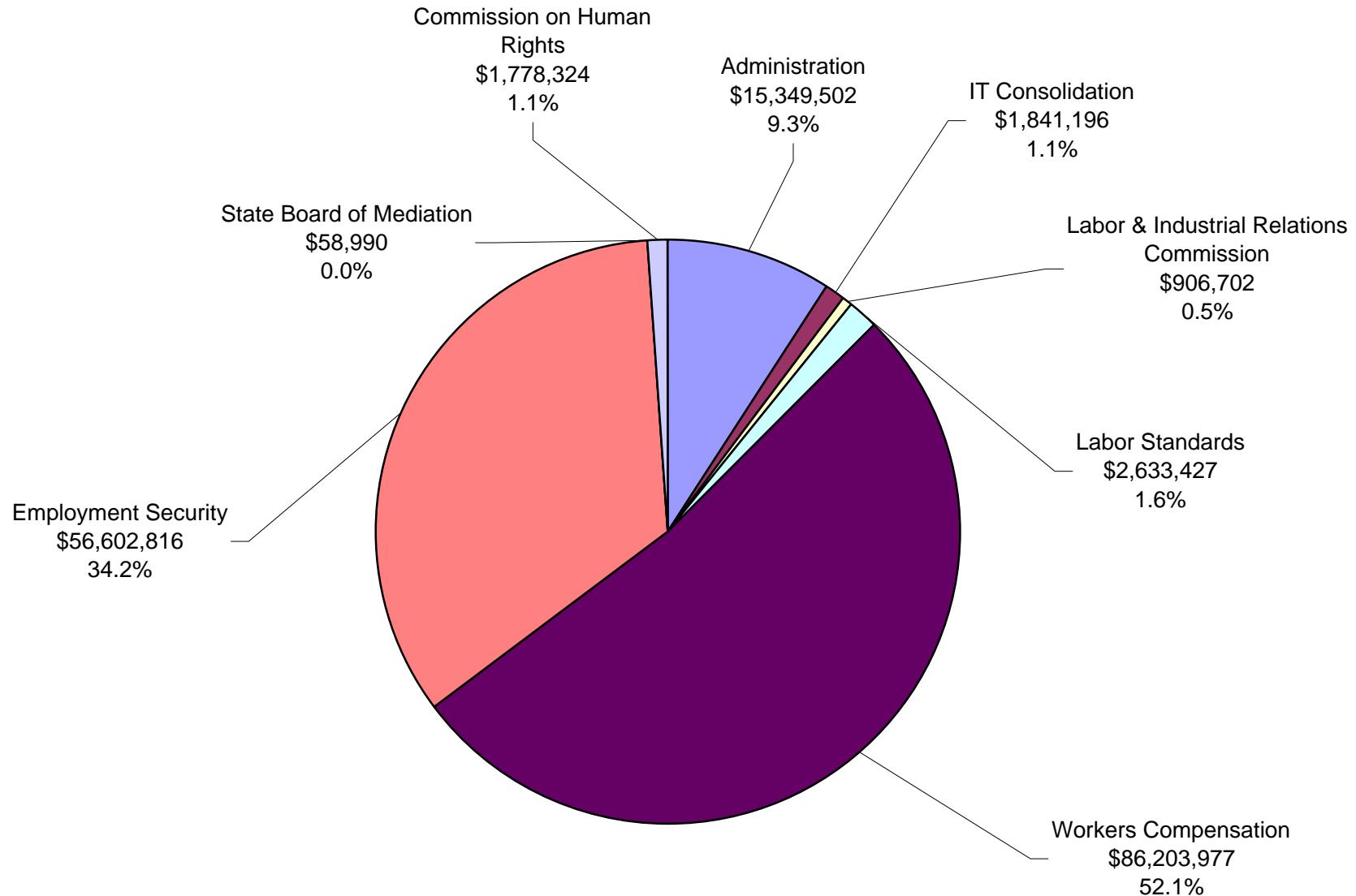
<u>Fund</u>	<u>FY 2005 Appropriation</u>	<u>FY 2006 After Veto</u>	<u>Percentage Change</u>
GR	\$2,661,426	\$2,490,016	(6.4%)
FED	62,564,793	60,408,140	(3.4%)
OTHER	<u>92,970,038</u>	<u>102,476,778</u>	<u>10.2%</u>
TOTAL	\$158,196,257	\$165,374,934	4.5%
F.T.E.	1,184.41	1,175.41	(0.1%)

Major Changes

\$9,000,000	Provides Second Injury funds for increased benefit payments
\$1,000,000	Provides Crime Victims' Compensation Funds for increased payments to victims of crimes
(\$184,378)	Provides for a reduction in General Revenue funding for the Commission on Human Rights, including a reduction of 4.00 FTE (Veto)
(\$154,611)	Provides for a reduction in General Revenue funding for the Division of Labor Standard, including a reduction of 4.00 FTE (Veto)
(\$45,671)	Provides for a reduction in General Revenue funding for the Division of Labor Standard, including a reduction of 1.00 FTE
(\$63,825)	Provides for a reduction in General Revenue due to the transfer of the duties of the Board of Mediation to the Labor Commission

FY 2006 Department of Labor & Industrial Relations

\$165,374,934



MAJOR OPERATING BUDGET CHANGES FOR FY 2006

HB 7 – DEPT. OF INSURANCE

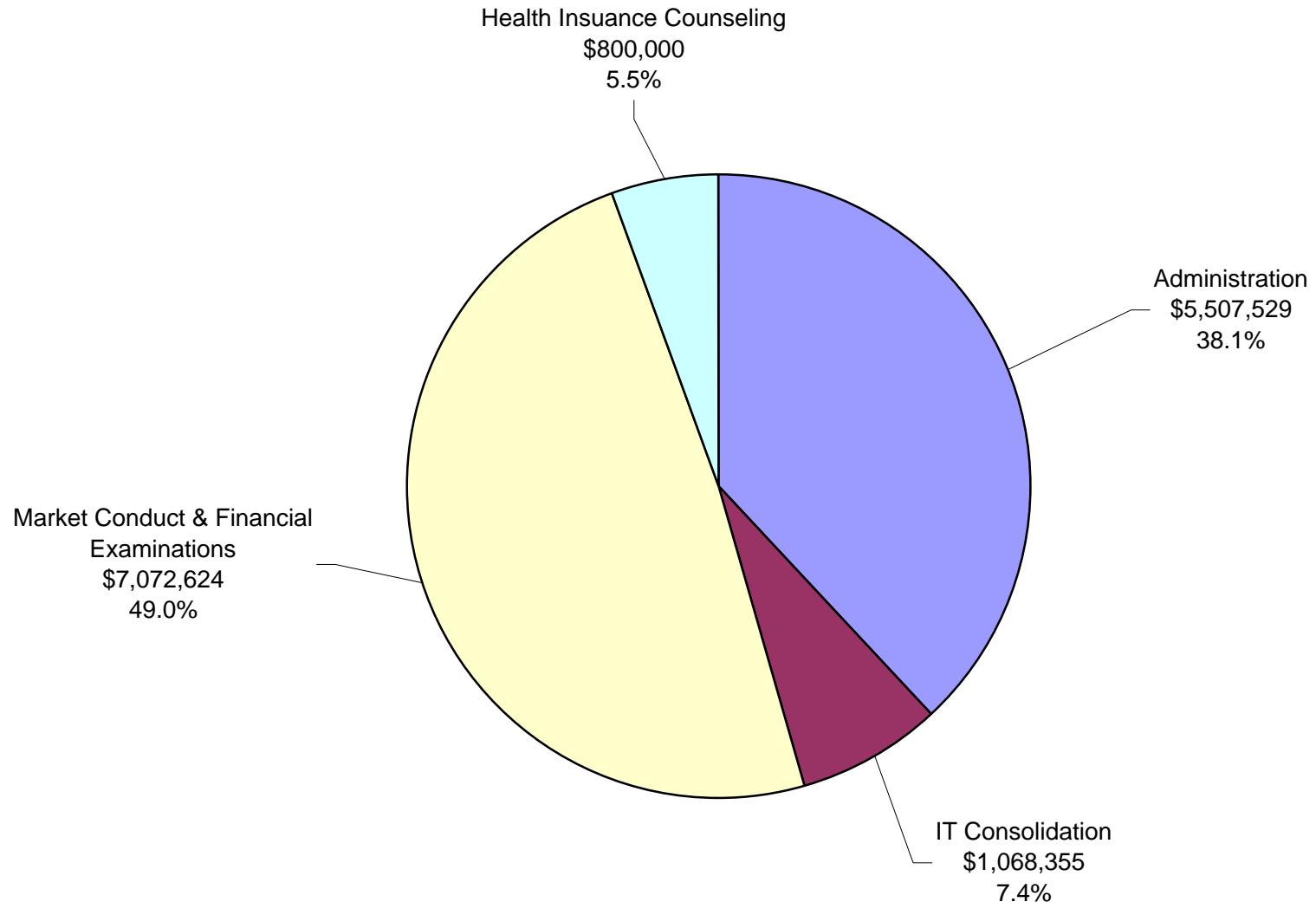
<u>Fund</u>	<u>FY 2005 Appropriation</u>	<u>FY 2006 After Veto</u>	<u>Percentage Change</u>
GR	\$0	\$0	0%
FED	450,000	600,000	33.3%
OTHER	<u>13,884,932</u>	<u>13,848,508</u>	<u>(0.3%)</u>
TOTAL	\$14,334,932	\$14,448,508	(0.8%)
F.T.E.	218.50	217.50	(0.5%)

Major Changes

\$150,000 Provides for an increase in the federal funding for the Claim Program

(\$85,824) Provides for a reduction of the Chief Counsel position at the Department's request

FY 2006 Department of Insurance Funding by Division
\$14,448,508



MAJOR OPERATING BUDGET ISSUES FOR FY 2006

HB 8 – DEPT. OF PUBLIC SAFETY

<u>Fund</u>	<u>FY 2005 Appropriation</u>	<u>FY 2006 After Veto</u>	<u>Percentage Change</u>
GR	\$45,507,763	\$64,597,706	41.9%
FED	87,377,775	73,980,467	(15.3%)
OTHER	245,269,735	248,704,784	1.4 %
TOTAL	\$378,155,273	\$387,282,957	2.4%
F.T.E.	4,865.36	4,868.36	.06%

Major Changes

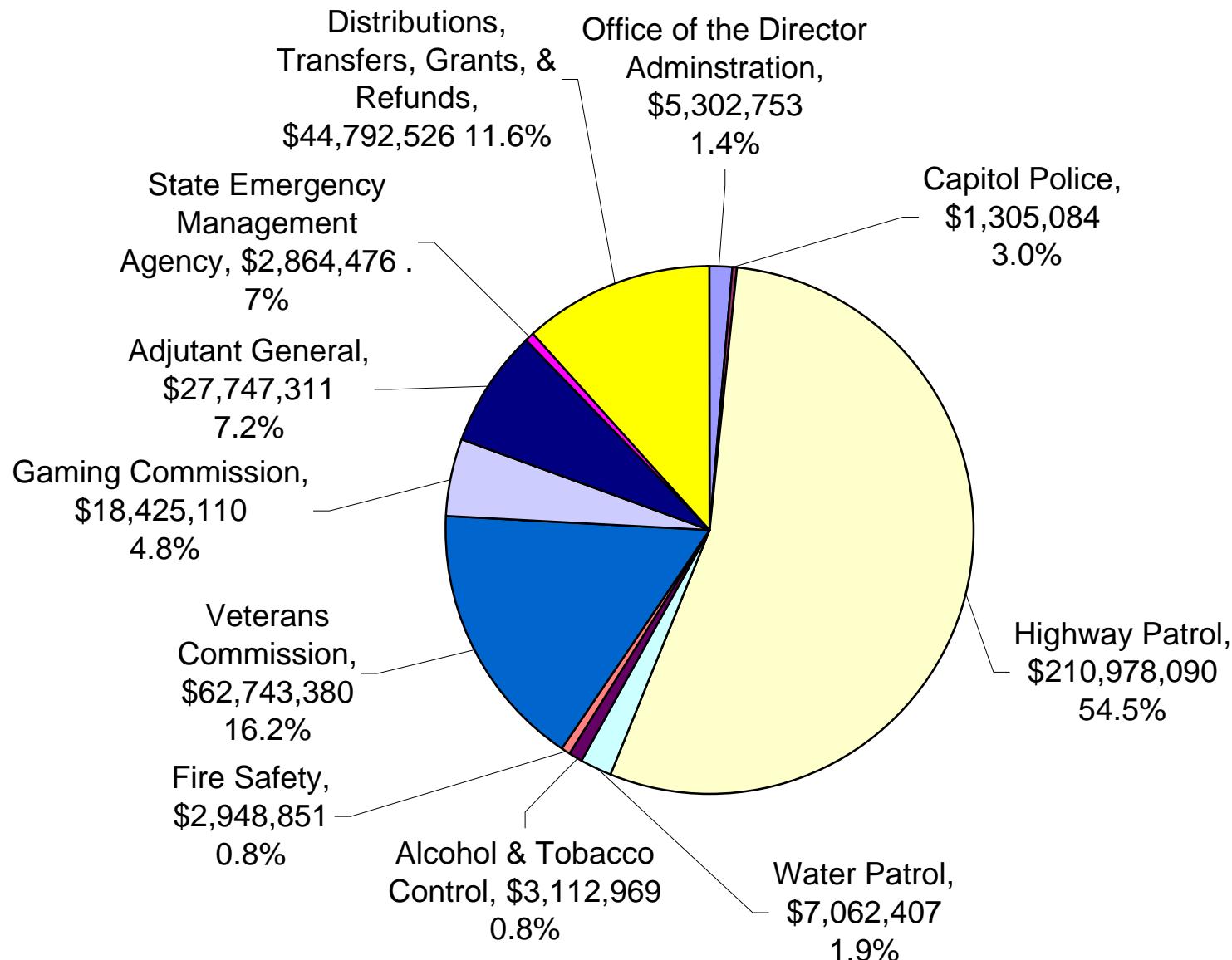
\$147,000	Provides additional funding for the Joplin Regional Crime Laboratory
\$5,000,000	Provides for a transfer of costs associated with enforcing state motor vehicle laws and traffic regulations from the Department of Revenue
\$4,343,388	Provides funding for increased costs for fringe benefits and new highway funded FTE's
\$1,644,398	Provides for an increase in funding for the DNA All Felon testing program
\$4,194,563	Provides funding for year two of Highway Patrol pay plan
\$755,364	Provides funding for a pay increase for Highway Patrol Crime Lab employees
\$16,666,463	Provides for replacement of Veterans Commission Capital Improvement Trust Fund with General Revenue and inflationary increases for Veteran's Homes
(\$109,349)	Provides for a reduction of three FTE and expense and equipment for Capitol Police
(\$310,480)	Provides for a reduction of five FTE and expense and equipment for State Highway Patrol
(\$120,709)	Provides for a reduction of two FTE and expense and equipment for the Division of Alcohol and Tobacco Control
(\$193,256)	Provides for a reduction of two FTE, expense and equipment, and firefighter training funds for the Division of Fire Safety

DEPARTMENT OF PUBLIC SAFETY HB 8 Continued

(\$967,483)	Provides for a reduction of General Revenue (\$162,941) and fund switch (\$804,542) in the Adjutant General
(\$116,747)	Provides for a reduction of three FTE and expense and equipment for the State Emergency Management Agency

FY 2006 Department of Public Safety

\$387,282,957



MAJOR OPERATING BUDGET CHANGES FOR FY 2006

HB 9 – DEPT. OF CORRECTIONS

<u>Fund</u>	<u>FY 2005 Appropriation</u>	<u>FY 2006 After Veto</u>	<u>Percentage Change</u>
GR	\$523,395,862	\$516,768,254	(1.3%)
FED	7,813,835	8,139,981	4.2%
OTHER	42,772,722	42,840,685	.16%
TOTAL	\$573,982,419	\$567,748,920	(1.1%)
F.T.E.	11,706.39	11,312.02	(3.4%)

Major Changes

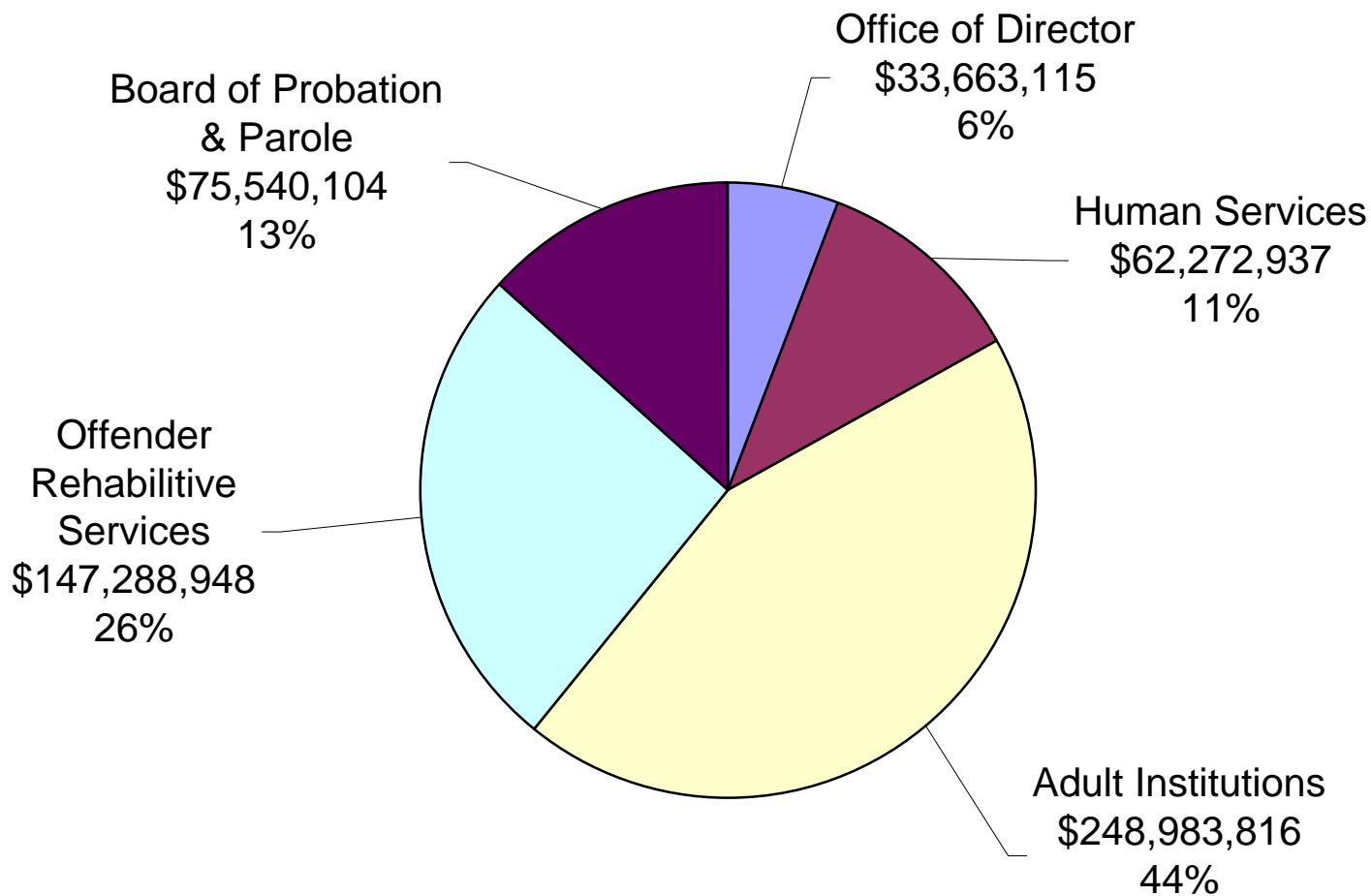
\$2,580,329	Provides funding for operating three new Community Supervision Centers
\$4,039,762	Provides for an increase in the inmate healthcare contract
(\$518,685)	Provides for a reduction for the closure of Camp Hawthorne (Ozark Correctional Center)
(\$800,000)	Provides for a reduction for the purchase, transportation, and storage of food for inmates and institutional staff
(\$3,833,879)	Provides for a reduction for the closure of Central Missouri Correctional Center (Church Farm) and allows for saturation housing
(\$1,560,000)	Provides for a reduction of 50.00 FTE Probation and Parole officers due to changing active supervision to non-active supervision on non-violent class D felony cases
(\$1,446,556)	Provides for a reduction for closure of schools at Potosi, Jefferson City Correctional Center, and Crossroads, and a conversion of a contract school at Tipton to self operate
(\$1,051,591)	Provides for a reduction for the closure of substance abuse treatment at Jefferson City Correctional Center and conversion of a contract for services at Maryville to self operate
(\$2,007,651)	Provides for a reduction due to closure of a 60-bed residential treatment contract. Reduction to be partially offset with a new supervision fee to be collected from probationers and parolees

DEPARTMENT OF CORRECTIONS HB 9 Continued

(\$2,197,625)	Provides for a reduction of various community programs, mostly substance abuse, for those under supervision. Reduction to be partially offset with a new supervision fee to be collected from probationers and parolees
(\$3,541,048)	Provides for a transfer of community based substance abuse treatment funds to the Department of Mental Health – Division of Alcohol and Drug Abuse

FY 2006 Department of Corrections

\$567,748,920



MAJOR OPERATING BUDGET CHANGES FOR FY 2006

HB 10 – DEPT. OF MENTAL HEALTH

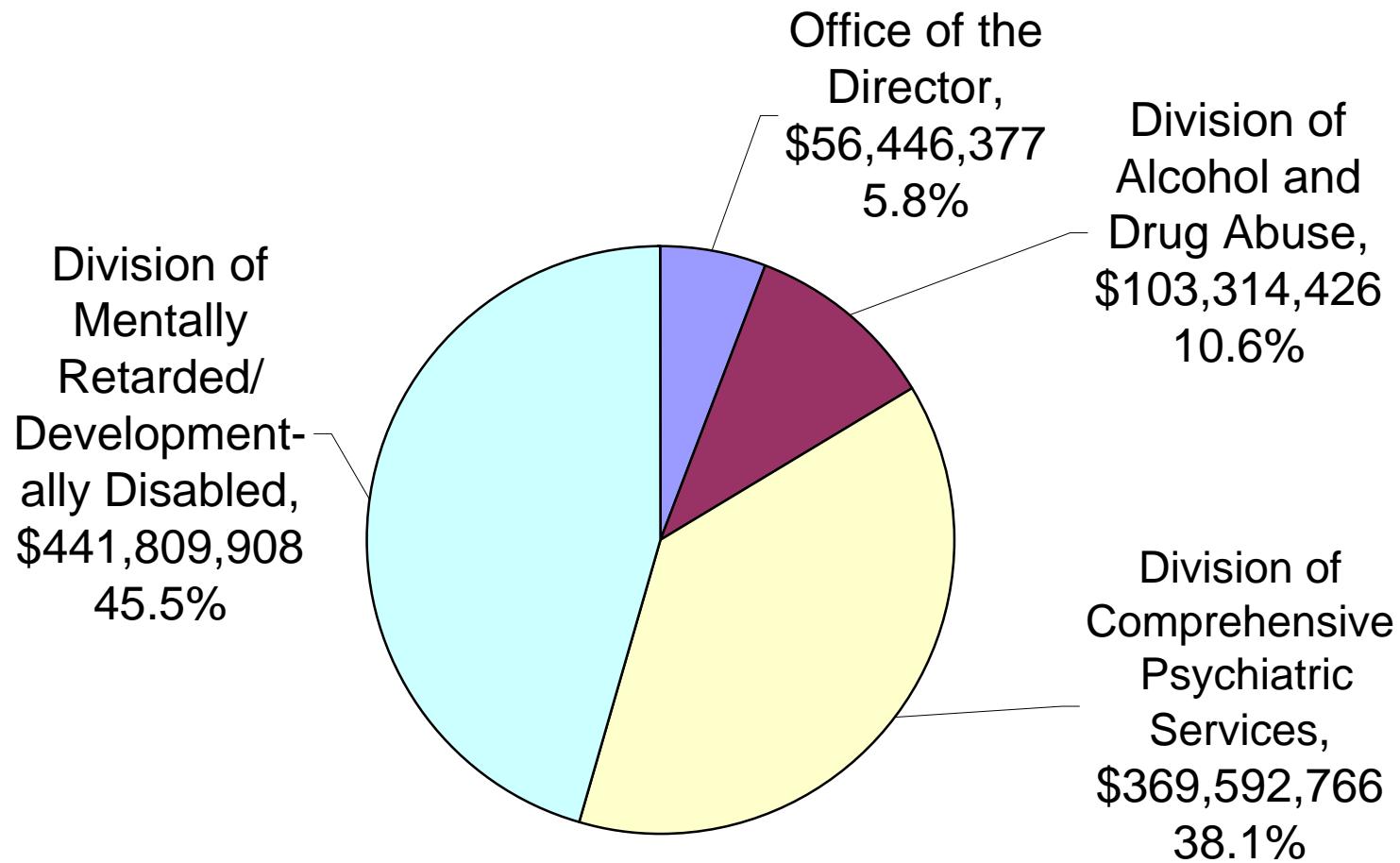
Fund	FY 2005 <u>Appropriation</u>	FY 2006 <u>After Veto</u>	Percentage <u>Change</u>
GR	\$521,575,544	\$514,691,270	(1.3%)
FED	415,464,229	420,634,421	1.2%
OTHER	36,038,216	35,837,786	(0.6%)
TOTAL	\$973,077,989	\$971,163,477	(0.2%)
F.T.E.	9,378.96	9,122.38	(2.4%)

Major Changes

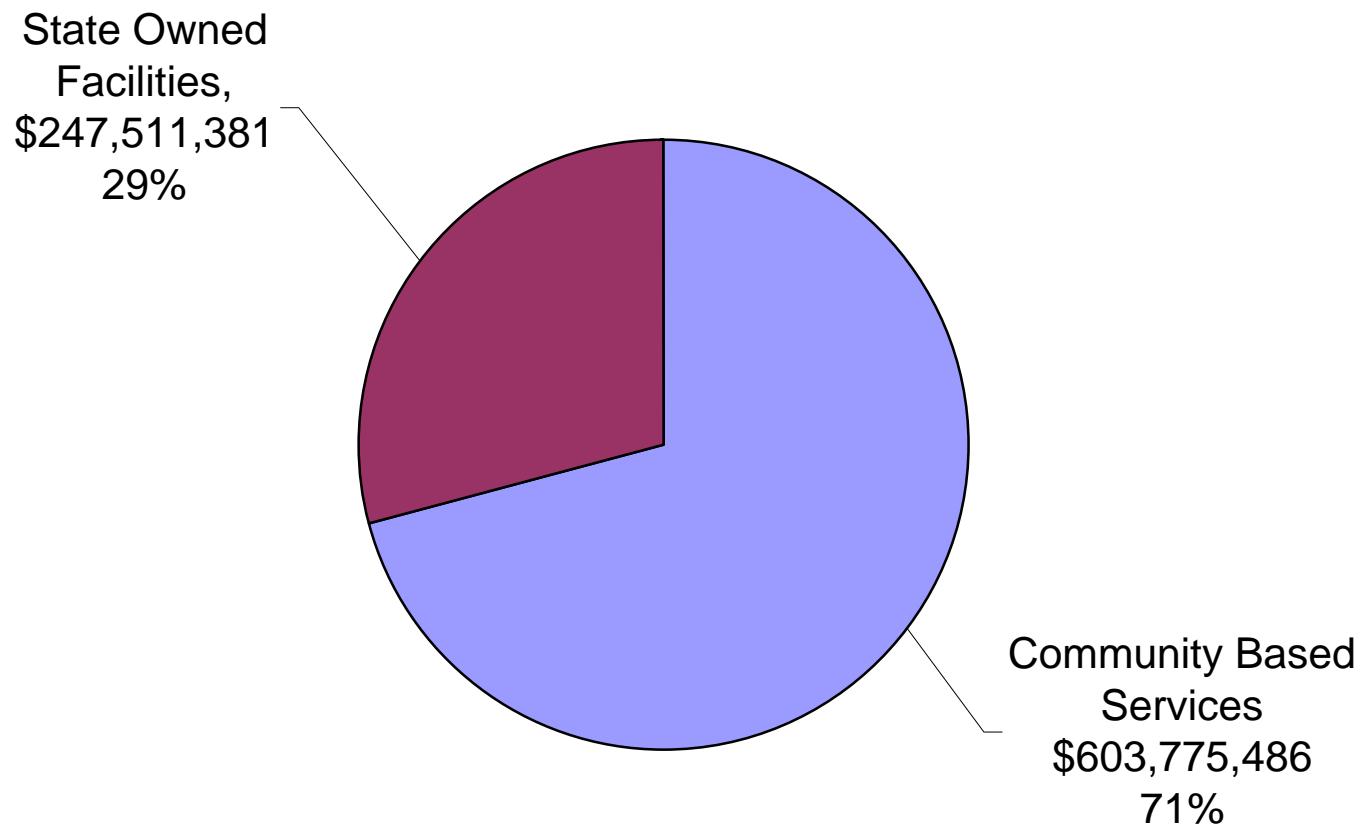
- \$1,318,138 Provides funding for an additional 17-bed ward in the Sexual Offender Treatment program
- (\$888,019) Provides for a 3% Administrative Reduction to Mental Health Regional Centers
- (\$1,445,793) Provides for a 3% Administrative Reduction to Mental Health Psychiatric facilities
- (\$2,212,499) Provides for a 3% Administrative Reduction to Mental Health Habilitation Centers
- \$4,635,955 Provides for a nursing pool to enable the Division of Comprehensive Psychiatric Services to better manage its nurse staffing problem (core shift, OA fringe transfer)
- (\$1,202,055) Provides for a reduction to psychiatric community programs, non-Medicaid services to both non-Medicaid and Medicaid clients
- \$3,541,048 Provides for transfer in from Corrections of alcohol and drug abuse treatment funding to consolidate treatment functions of government within the Division of Alcohol and Drug Abuse
- \$18,022,632 Provides funding for Medicaid caseload growth (\$6,864,914GR, \$11,157,718FED)
- (\$24,355,783) Provides for a reduction in Medicaid clients through elimination of MAWD program and lowering eligibility from 100% of FPL to 85% of FPL for elderly and disabled and lowering eligibility from 75% of FPL to 24% of FPL for healthy adults with children (\$9,220,764 GR, \$14,879,533 FED)
- (\$4,400,575) Provides for additional Administrative Reductions and contract reductions (i.e. contracted training for police departments to deal with psych patients, Woodson Redirect, Juvenile Justice Projects, delaying opening of wing at Western Missouri Mental Health Center)
- \$11,902,845 Provides for a in-home provider rate increase based upon a \$.64/hour direct care staff pay increase and an day habilitation and/or group home provider rate increase based upon a \$.36/hour direct care staff pay increase (\$4,663,535 GR, \$7,239,310 FED)

FY 2006 Department Of Mental Health Funding by Division

\$971,163,477



**FY 2006 Department of Mental Health Treatment Funding by Type
of Service Delivery**
\$851,286,867



MAJOR OPERATING BUDGET CHANGES FOR FY 2006

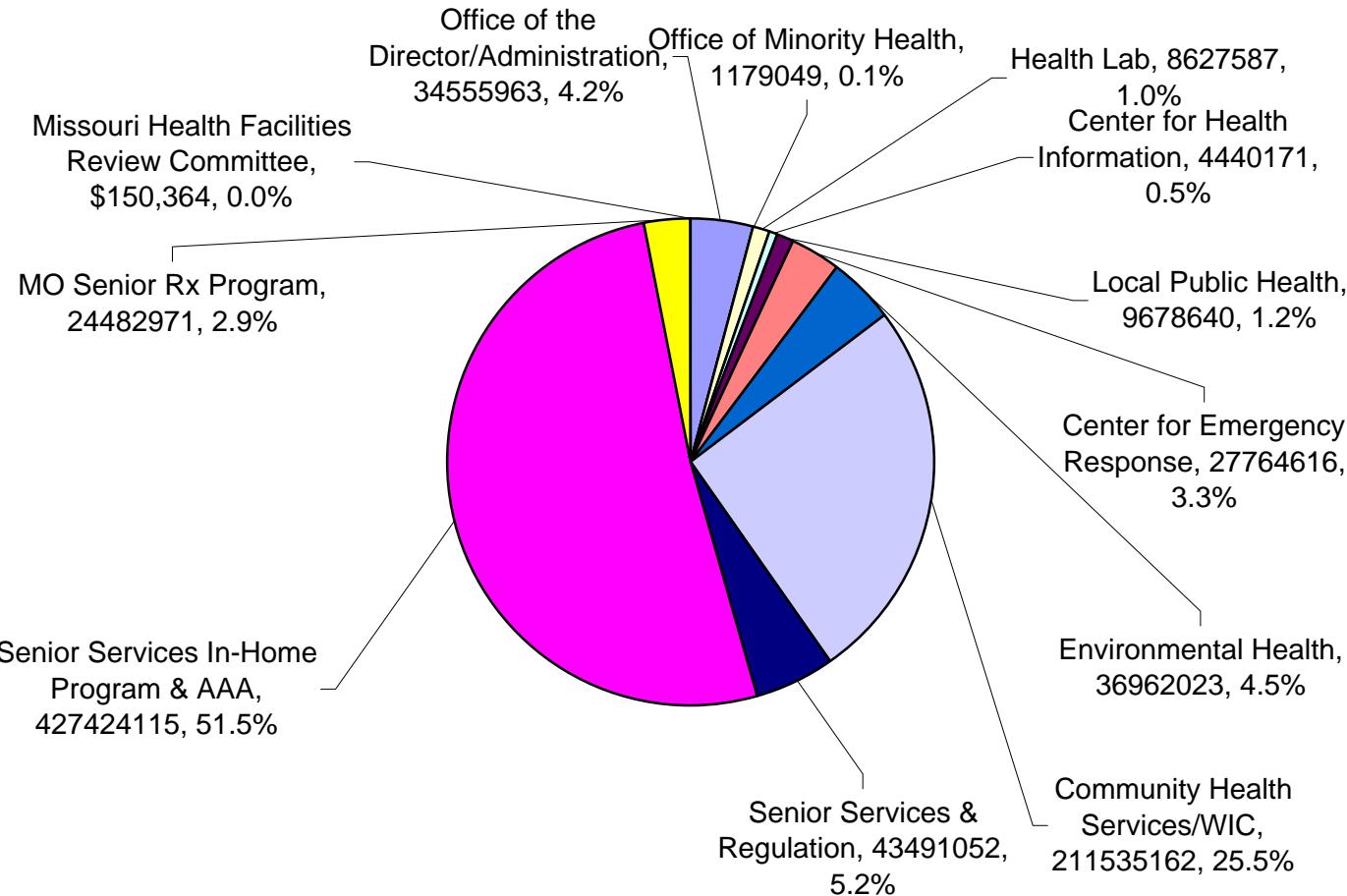
HB 10 – DEPT. OF HEALTH AND SENIOR SERVICES

<u>Fund</u>	<u>FY 2005 Appropriation</u>	<u>FY 2006 After Veto</u>	<u>Percentage Change</u>
GR	\$81,195,589	\$214,031,019	163.6%
FED	328,293,614	564,482,938	71.9%
OTHER	<u>51,869,965</u>	<u>51,777,756</u>	<u>(0.2%)</u>
TOTAL	\$461,359,168	\$830,291,713	79.9%
F.T.E.	2,143.73	2,080.45	(2.9%)

Major Changes

(\$7,078,026)	Provides for Personal Service, Expense and Equipment and Contract Administrative Reductions (i.e.: Farmers' Market, Genetics Program, Regional Arthritis Program)
\$309,143,358	Provides funding through a transfer from Social Services and DESE of Medicaid-only In-Home funding to Health and Senior Services (\$118,991,191 GR, \$189,992,862 FED, \$159,305 OTHER)
\$26,881,698	Provides funding for Medicaid caseload growth (\$10,383,801 GR, \$16,427,897 FED)
(\$16,400,000)	Provides for a reduction in the In-Home Medicaid Program based on moving eligibility Point Count from 18 to 21 (\$6,300,000 GR, \$10,100,000 FED)
\$2,300,000	Provides funding for NME, or consumer directed non-Medicaid Personal Care Attendant Program
\$13,620,380	Provides for a in-home provider rate increase based upon a \$.64/hour direct care staff pay increase (language is not included to directly connect funding to direct care staff pay increases; \$5,336,465 GR, \$8,283,915 FED)
\$1,449,362	Provides for an increase in Medicaid eligible home delivered meals through Area Agencies on Aging (\$600,000 GR, \$849,362 FED)

Health & Senior Services \$830,291,713



MAJOR OPERATING BUDGET CHANGES FOR FY 2006

HB 11 – DEPT. OF SOCIAL SERVICES

<u>Fund</u>	<u>FY 2005 Appropriation</u>	<u>FY 2006 After Veto</u>	<u>Percentage Change</u>
GR	\$1,386,592,216	\$1,251,364,386	(9.8%)
FED	3,456,087,243	3,330,554,576	(3.6%)
OTHER	<u>1,383,005,842</u>	<u>1,359,204,109</u>	(1.7%)
TOTAL	\$6,225,685,301	\$5,941,123,071	(4.6%)
F.T.E.	8,589.20	8,524.11	(0.8%)

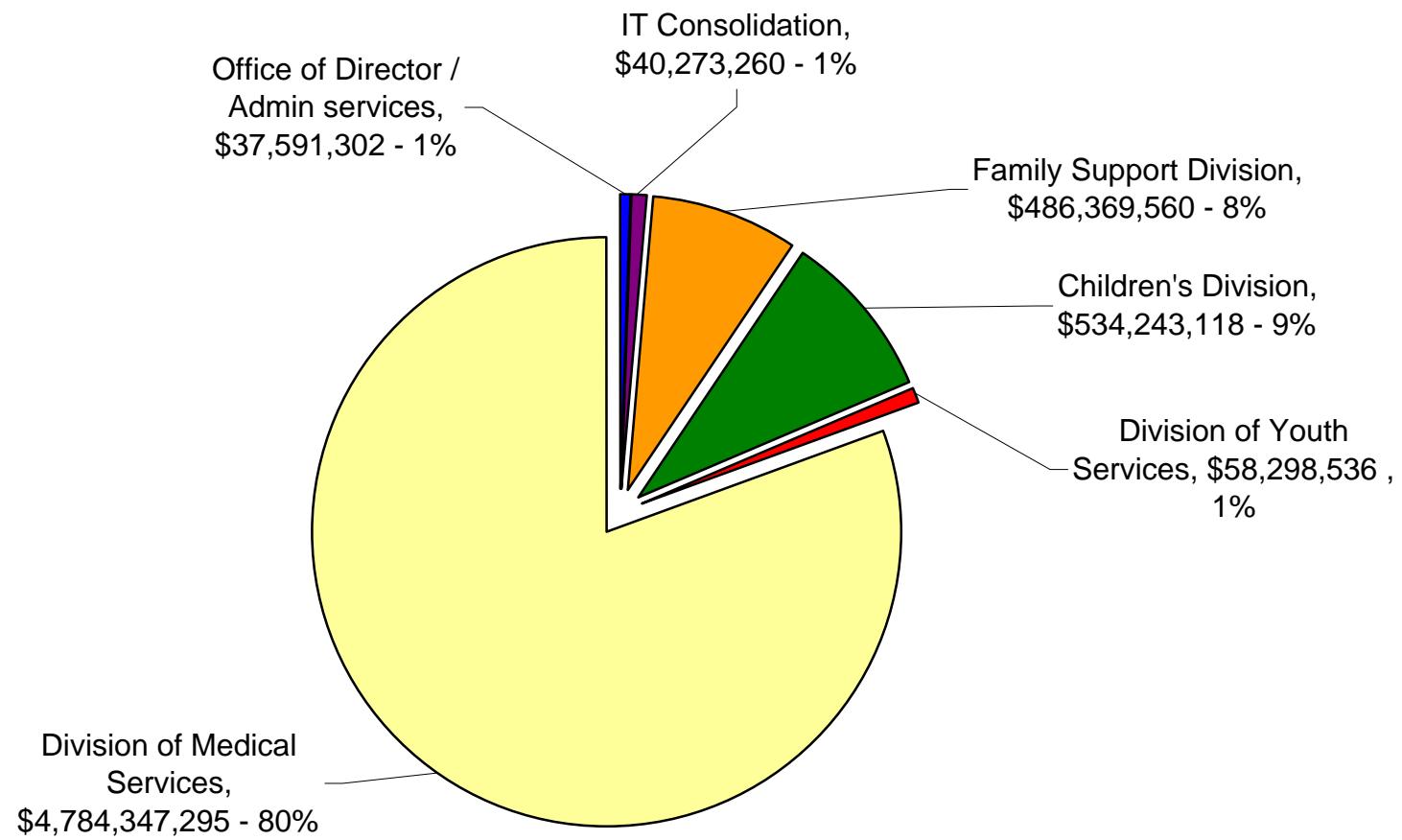
Major Changes

\$152,010,688	Provides funding for an increase for Medicaid cost to continue FY 2005 supplemental appropriation
\$138,528,940	Provides funding for an increase for Medicaid caseload growth, (68% related to disabled and adult growth)
\$101,364,527	Provides funding for an increase for the Medicaid pharmacy ingredient cost growth per prescription (Inflation cost projected at 10.4%)
\$62,504,798	Provides funding for an increase for Medicaid managed care providers cost to continue, inflation, and utilization
\$30,926,087	Provides funding for the change in the Federal Medical Assistance Percentage (FMAP) rate
\$17,732,495	Provides funding for an increase for Medicaid pharmacy utilization (# of prescriptions per recipient)
\$16,168,521	Provides funding for an increase for Medicaid projected growth in Medicare premium payments
\$14,973,169	Provides funding for an increase for Adoption/Guardianship Subsidy to continue FY 2005 supplemental funding and for caseload growth for FY 2006
\$11,504,868	Provides funding for the Purchase of Child Care to maintain the current childcare subsidy eligibility guideline

DEPARTMENT OF SOCIAL SERVICES HB 11 Continued

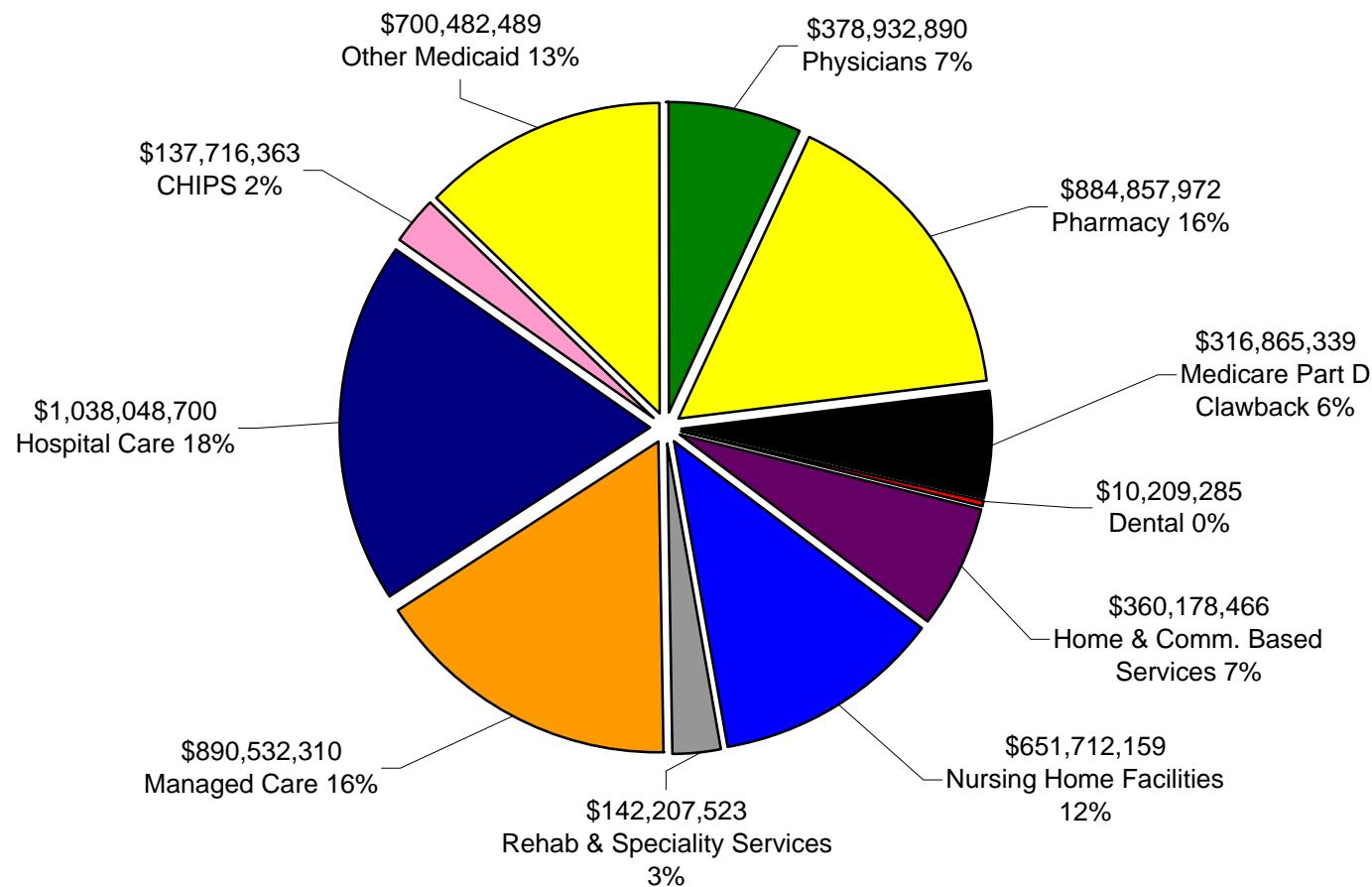
(\$107,946,777)	Provides for a reduction in funding due to change in Medicaid eligibility for the Medical Assistance for Families – Adults from current Fiscal Year 2005 level of 75% of FPL to the Temporary Assistance for Needy Families (TANF) level – approximately 24% of FPL
(\$66,638,945)	Provides for a reduction in funding for Medicaid Optional Services
(\$53,274,397)	Provides for a reduction in funding due to change in Medicaid eligibility for the elderly and disabled from current Fiscal Year 2005 level of 100% of Federal Poverty Level (FPL) to 85% of FPL
(\$8,747,739)	Provides for a core reduction in funding for Adoption/Guardianship Subsidy from means testing at 250% of FPL for state-only subsidized children

FY 2006 Department of Social Services Funding by Division: \$5,941,123,071



FY 2006 Appropriation for Medicaid by Type of Service (All funds)

Total \$5,511,743,496



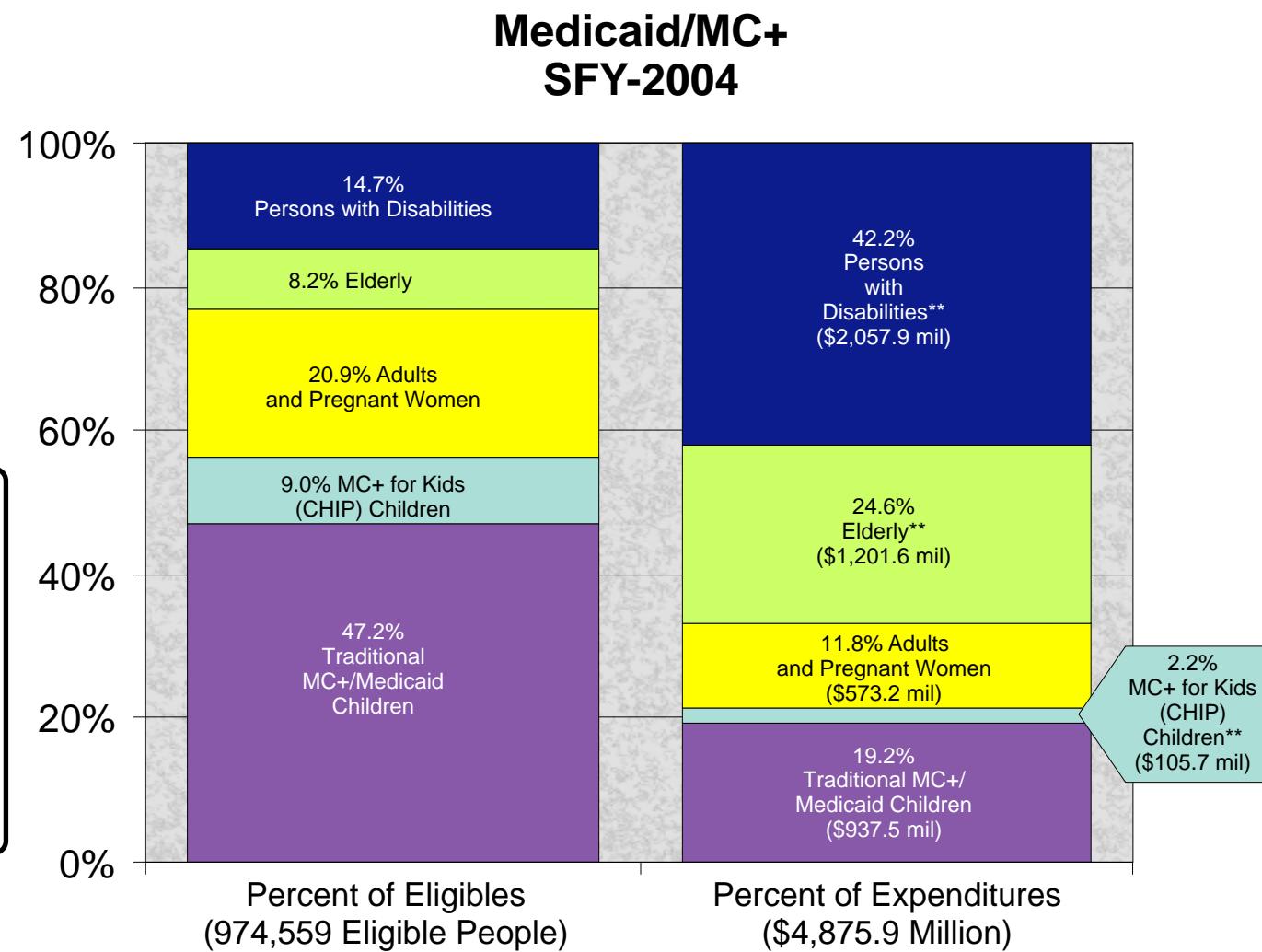
Other Medicaid portion includes services offered through: Safety Net Hospitals, Medicaid Supplemental Pool, DESE Services, Mental Health, and Uncompensated Care. Home and Community Based services was transferred to Dept. of Health and Senior Services.

Medicaid Enrollees and Expenditures

In SFY-2004, the elderly and persons with disabilities comprised 23% of the eligibles, however, they accounted for 67% of Medicaid expenditures.

Number of People

Persons with Disabilities	143,797
Elderly	80,149
Adults and Pregnant Women	203,521
MC+ for Kids (CHIP) Children	
Premium	1,373*
Co-Pay	17,054
No Cost	68,853
Traditional MC+/Medicaid Children	459,812



Notes:

*MC+ for Kids (CHIP) premium enrollees include only those with paid premiums

**Expenditures are net of premiums collections for MC+ for Kids (CHIP) premium enrollees, MA-WD premium enrollees and spenddown participants that use the buy-in option.

Data Note: Data reflects Department of Social Services, Table 22/23, Medical Statistics for State Fiscal Year 2004 adjusted for MC+ for Kids and premium payments.

Persons with Disabilities include Permanently & Totally Disabled, Aid to the Blind, Blind Pension, and Medical Assistance for Workers with Disabilities (MA-WD)

Elderly includes Old Age Assistance and Qualified Medicare Beneficiary (QMB)

Adults and Pregnant Women include Medical Assistance for Families - Adult, Refugees, General Relief, 1115 Waiver Adult, Women with Breast or Cervical Cancer, Medicaid for Pregnant Women (Poverty and MAF Income), Presumptive Eligibility (pregnant women)

MC+ For Kids (CHIP) include No Cost, Co-Pay and Premium MC+ for Kids enrollees

Traditional MC+/Medicaid Children includes Medicaid for Children, Medical Assistance for Families - Child, Foster Care, Child Welfare Services, Title XIX - Homeless, Dependent, Neglected (HDN), DYS - General Revenue, Children in a Vendor Institution, Missouri Children with Developmental Disabilities (MOCDD), Presumptive Eligibility for Children

MAJOR OPERATING BUDGET ISSUES FOR FY 2006

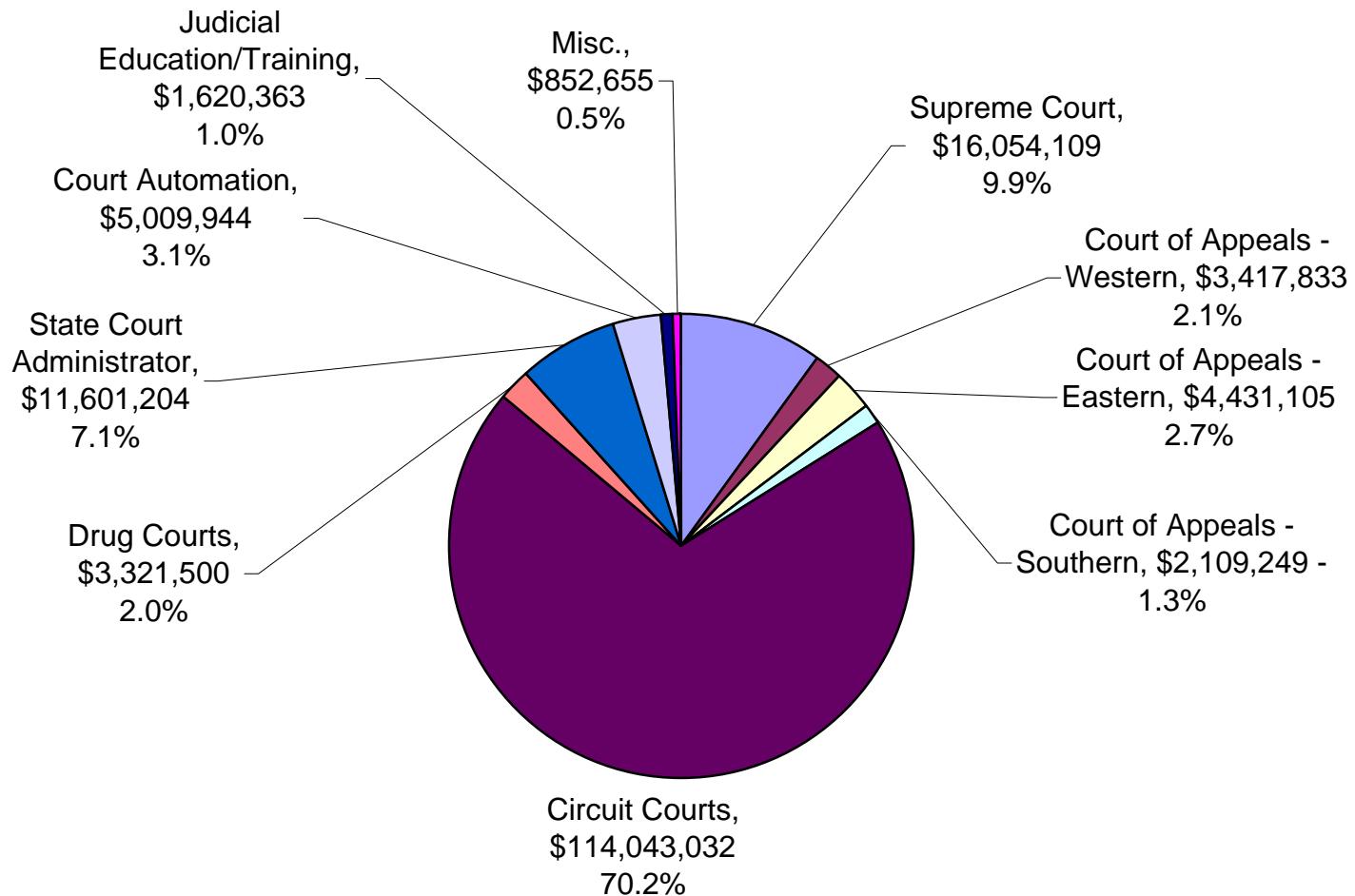
HB 12 – JUDICIARY

<u>Fund</u>	<u>FY 2005 Appropriation</u>	<u>FY 2006 After Veto</u>	<u>Percentage Change</u>
GR	\$140,830,307	\$140,367,340	(.33%)
FED	17,082,777	12,881,488	(24.6%)
OTHER	<u>9,206,966</u>	<u>9,212,166</u>	<u>.05%</u>
TOTAL	\$167,120,050	\$162,460,994	(2.8%)
F.T.E.	3,368.47	3,372.05	(.11%)

Major Issues

(\$23,000)	Provides for reduction of expense and equipment for Supreme Court and all of the Court of Appeals
(\$62,860)	Provides for reduction of one FTE and expense and equipment at the Office of State Courts Administrator
(\$4,647,640)	Provides for the reduction of excess Federal and Other Fund appropriation authority
\$255,200	Provides for integrated case management through Court Automation
\$46,958	Provides funding for implementation of HB 1453 (2004) assuring timely permanency planning for children
(\$60,000)	Provides for a reduction in Judicial Education and Training
(\$51,504)	Provides for a reduction of one FTE in Circuit Court personnel
\$132,928	Provides additional funding for various mandatory salary adjustments and programs
\$99,393	Provides federal grant funding for two FTE for staff for the Sentencing Commission
\$62,130	Provides for six months funding for new judgeship in 11 th circuit (St. Charles)
\$24,446	Provides funding for a Juvenile Officer Secretary in Vernon County

FY 2006 JUDICIARY \$162,460,994



MAJOR OPERATING BUDGET CHANGES FOR FY 2006

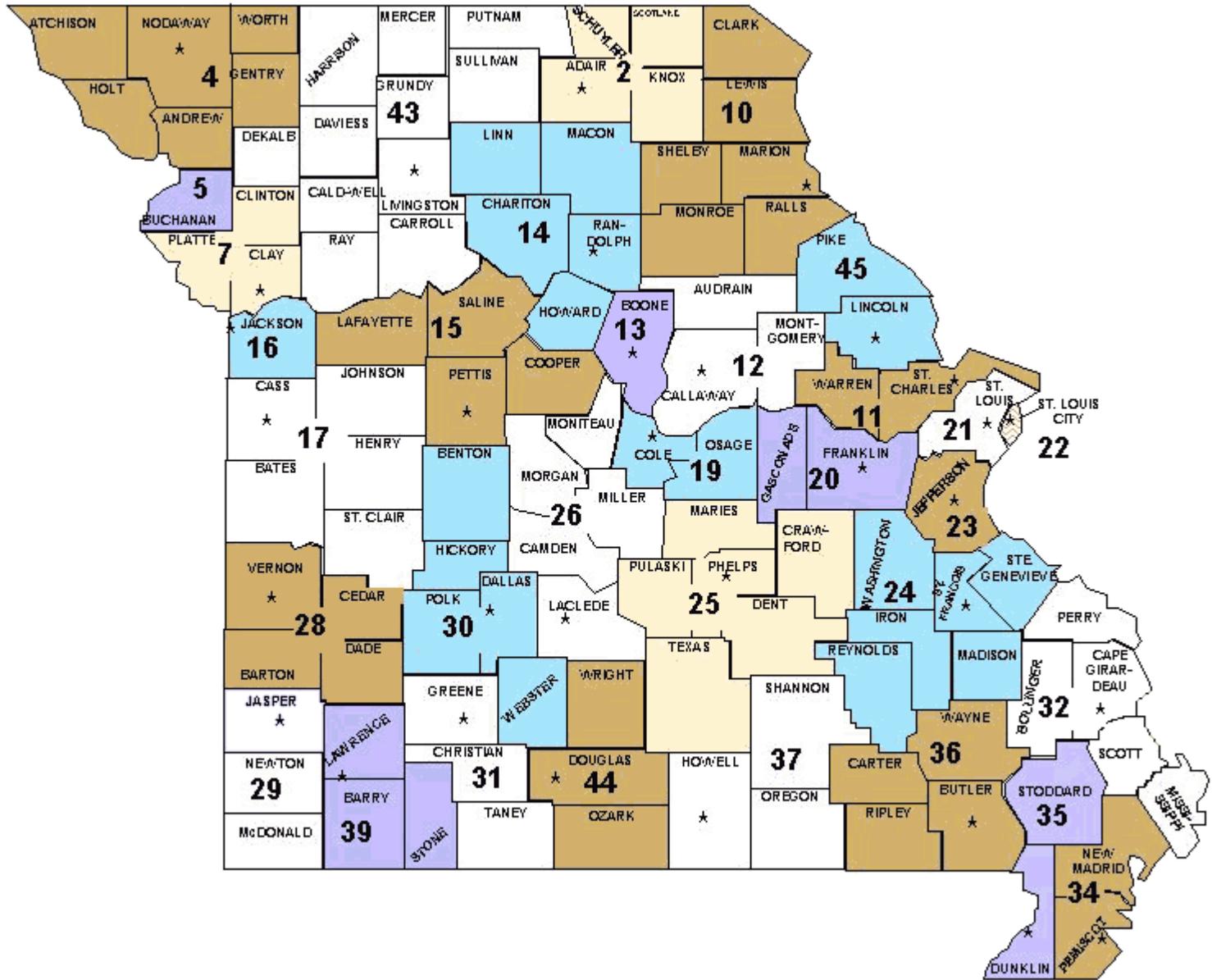
HB 12 – OFFICE OF THE PUBLIC DEFENDER

<u>Fund</u>	<u>FY 2005 Appropriation</u>	<u>FY 2006 After Veto</u>	<u>Percentage Change</u>
GR	\$28,463,282	\$28,463,282	0%
FED	125,000	125,000	0%
OTHER	<u>1,218,134</u>	<u>1,968,134</u>	<u>62%</u>
TOTAL	\$29,806,416	\$30,556,416	2.5%
F.T.E.	560.13	560.13	0%

Major Changes

\$750,000 Provides for additional appropriation authority for the Legal Defense and Defender fund

FY 2006 Public Defender Districts and District Office Locations



Capital and Appellate offices are located in Kansas City, St. Louis, and Columbia.

Youth Advocacy Units are located in St. Louis and Kansas City.

Location	Area								
Kirksville	02	Columbia	13	Clayton	21	Carthage	29	West Plains	37
Maryville	04	Moberly	14	St. Louis City	22	Buffalo	30	Monett	39
St. Joseph	05	Sedalia	15	Hillsboro	23	Springfield	31	Chillicothe	43
Liberty	07	Kansas City	16	Farmington	24	Jackson	32	Ava	44
Hannibal	10	Harrisonville	17	Rolla	25	Caruthersville	34	Troy	45
St. Charles	11	Jefferson City	19	Lebanon	26	Kennett	35		
Fulton	12	Union	20	Nevada	28	Poplar Bluff	36		

MAJOR OPERATING BUDGET CHANGES FOR FY 2006

HB 12 – STATEWIDE ELECTED OFFICIALS

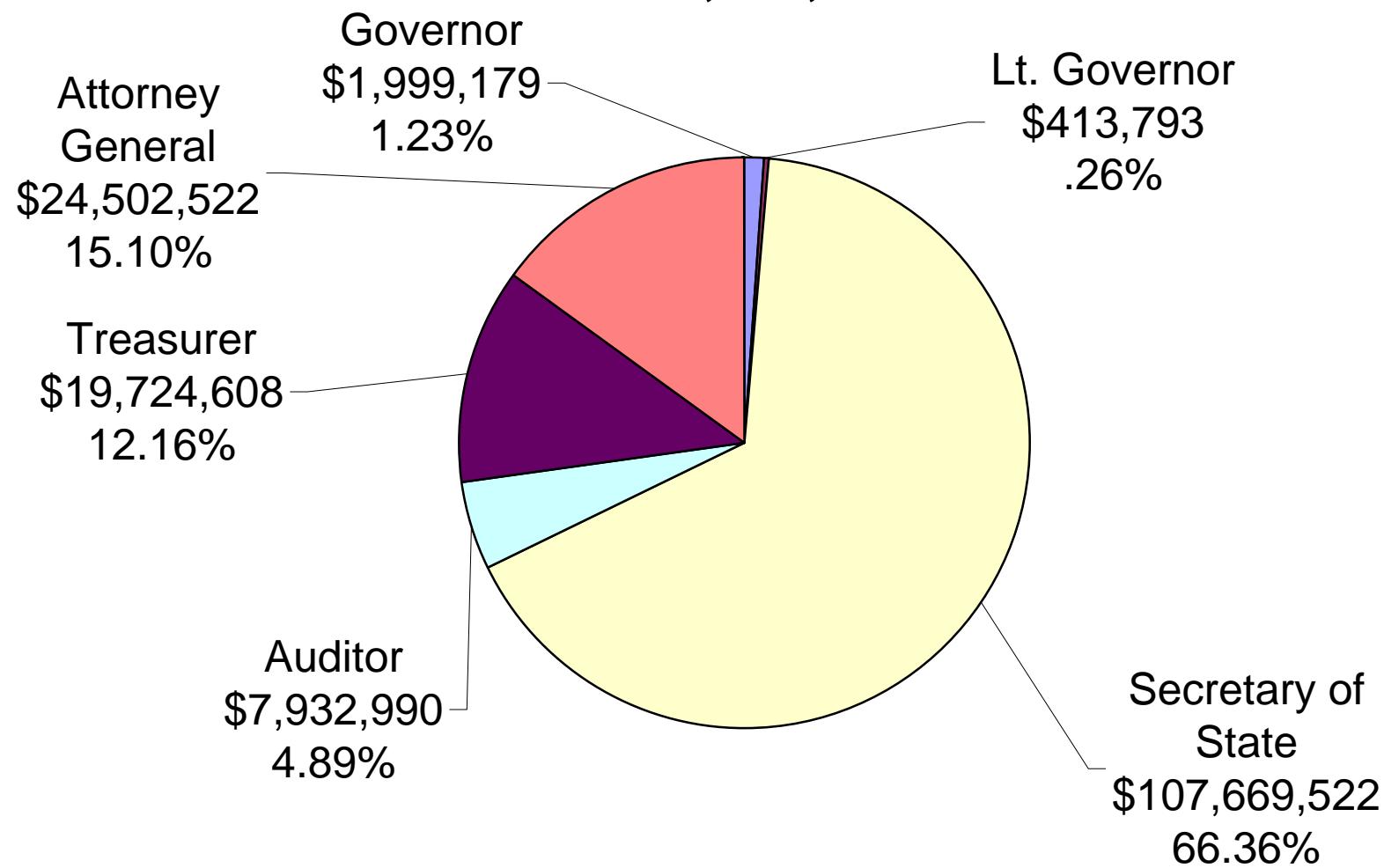
<u>Fund</u>	<u>FY 2005 Appropriation</u>	<u>FY 2006 After Veto</u>	<u>Percentage Change</u>
GR	\$42,966,148	\$42,922,819	(0.1%)
FED	36,306,937	75,071,079	107%
OTHER	42,502,451	44,248,716	4.1%
TOTAL	\$121,775,536	\$162,242,614	33.2%
F.T.E.	958.02	948.02	(1.0%)

Major Changes

\$515,000	Provides funding for the biennial publication of the official manual
\$39,000,000	Provides additional federal funding for the Help America Vote Act
\$4,284,000	Transferred special election costs funding from the Office of Administration to the Secretary of State's Office
(\$525,000)	Provides for a reductions in the replacement of outlawed and duplicate checks based on actual need
(\$335,500)	Provides reductions of personal service and expense & equipment to the statewide office holders
(\$1,000,000)	Provides for a reduction in the state aid to public libraries
(\$1,729,317)	Eliminated the General Revenue funding pursuant to legislation authorizing the use of investment earnings for the operations of the State Treasurer's Office

FY 2006 Elected Officials

\$162,242,614



MAJOR OPERATING BUDGET CHANGES FOR FY 2006

HB 12 – GENERAL ASSEMBLY

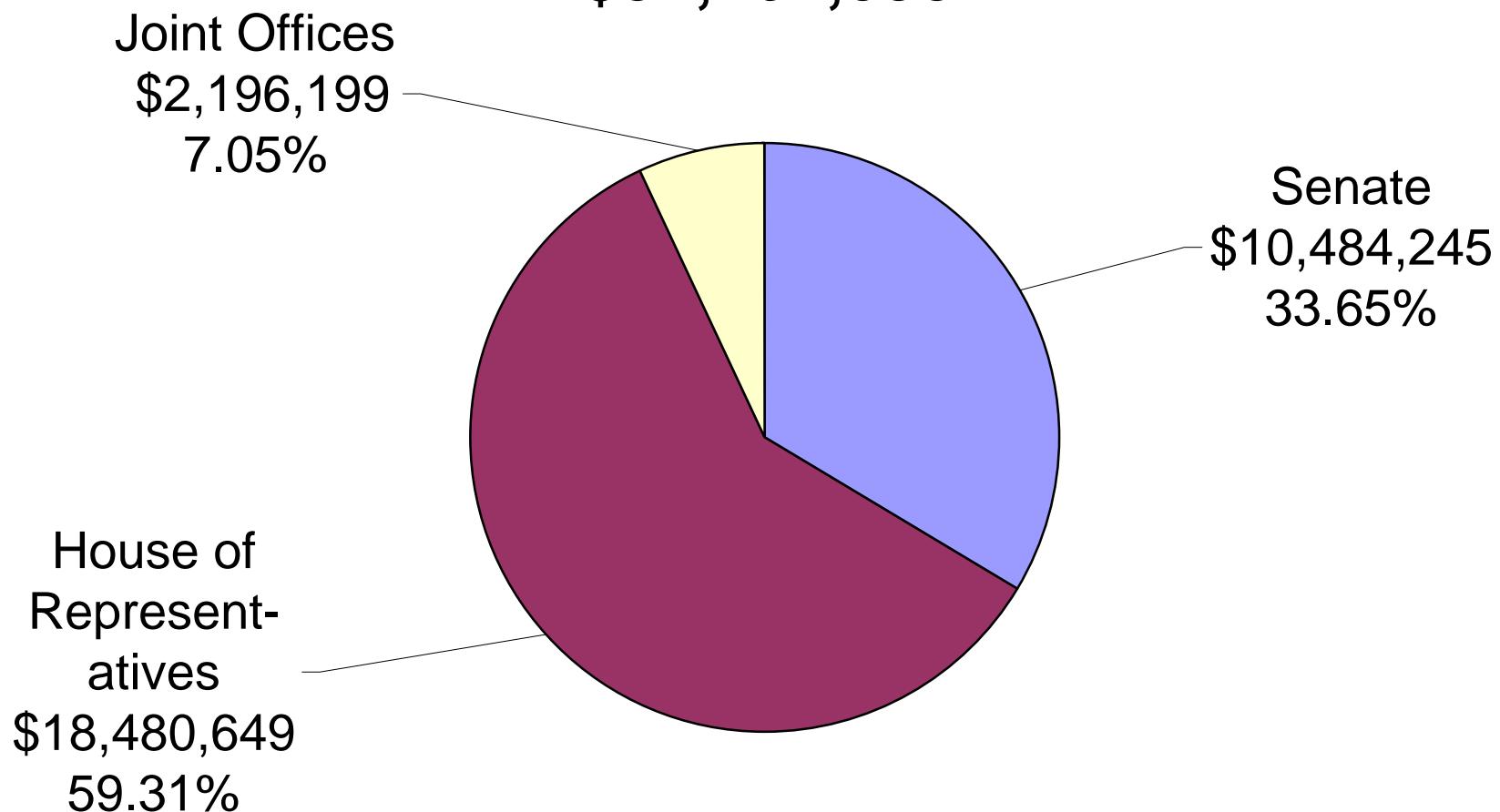
<u>Fund</u>	<u>FY 2005 Appropriation</u>	<u>FY 2006 After Veto</u>	<u>Percentage Change</u>
GR	\$31,352,538	\$30,968,402	(1.2%)
FED	0	0	0%
OTHER	<u>192,691</u>	<u>192,691</u>	<u>0%</u>
TOTAL	\$31,545,229	\$31,161,093	(1.2%)
F.T.E.	722.84	718.84	(0.6%)

Major Changes

(\$384,136) Provides for a reduction of personal service and expense & equipment in the Senate and House

FY 2006 General Assembly

\$31,161,093



MAJOR OPERATING BUDGET CHANGES FOR FY 2006

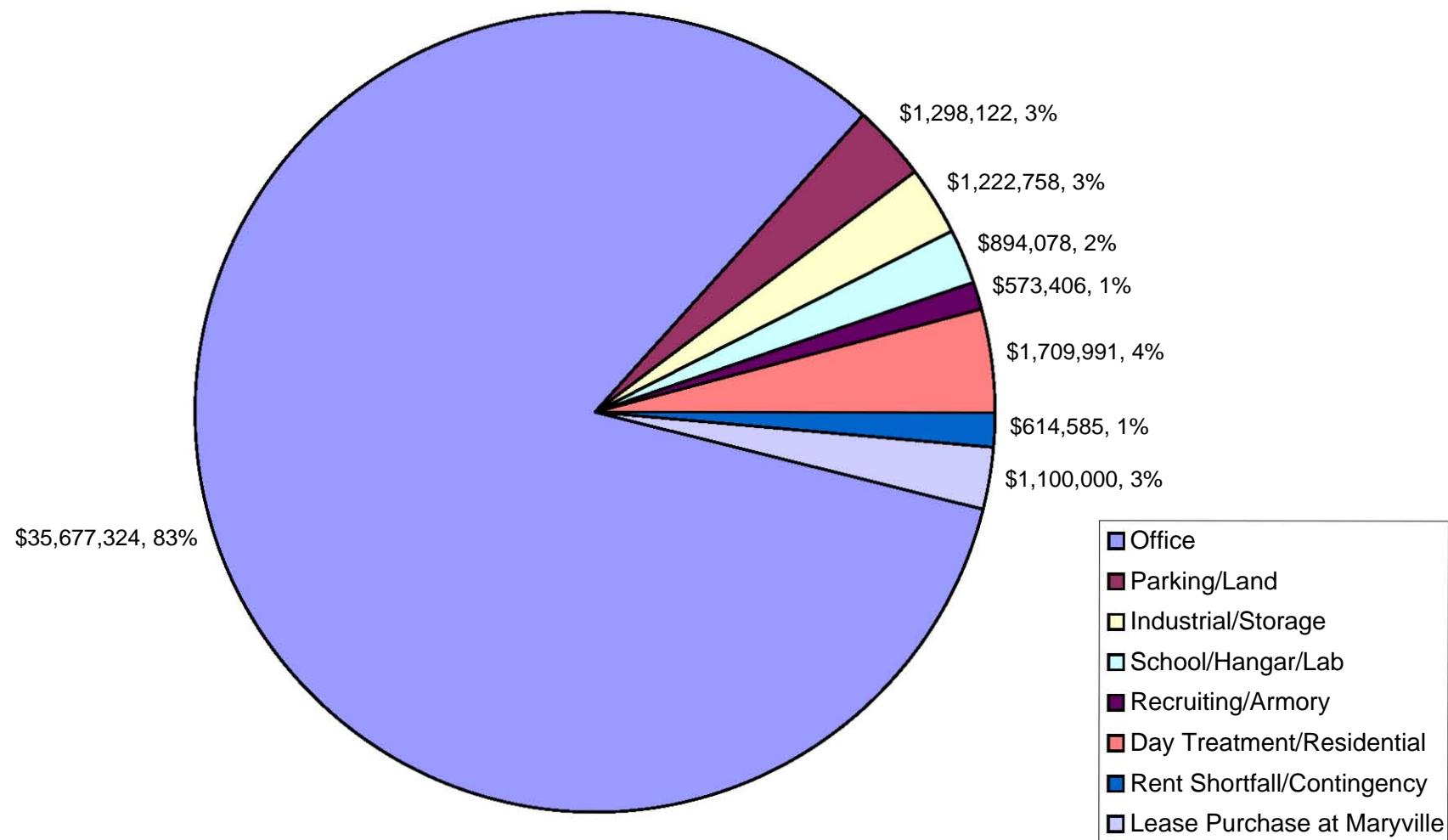
HB 13 – LEASING

<u>Fund</u>	<u>FY 2005 Appropriation</u>	<u>FY 2006 After Veto</u>	<u>Percentage Change</u>
GR	\$27,429,258	\$24,809,742	(9.6%)
FED	17,068,557	13,607,866	(20.3%)
OTHER	<u>5,915,522</u>	<u>4,997,725</u>	<u>(15.5%)</u>
TOTAL	\$50,413,337	\$43,415,333	(13.8%)

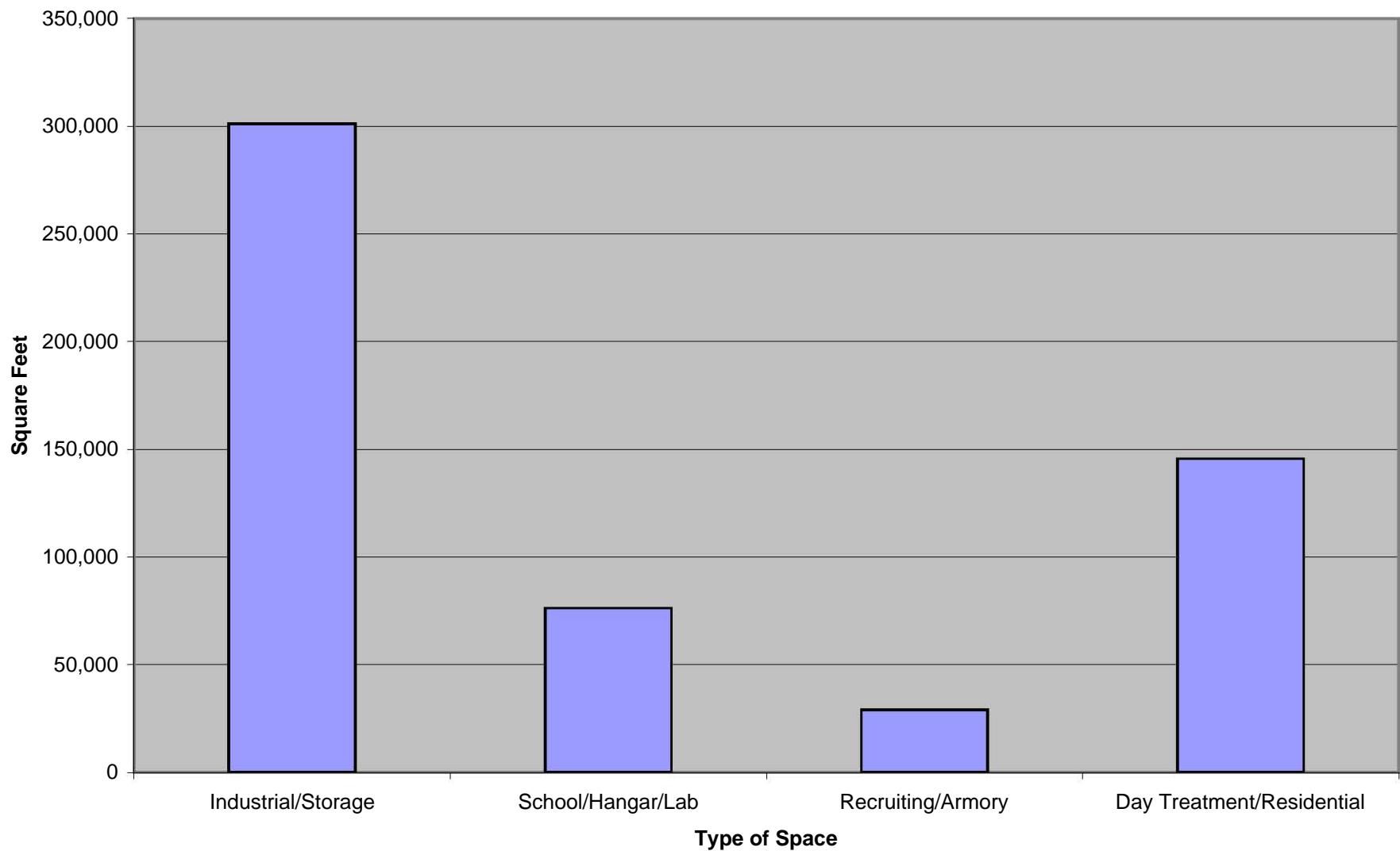
Major Changes

\$1,100,000	Provides funding for a lease purchase of a bioscience/biotechnology facility in Maryville Missouri
(\$6,191,587)	Provides for consolidation of leases or reduction in lease costs

FY 2006 Leasing Dollars by Type of Lease



FY 2006 Leasing Square Feet by Lease Type



* No square footage is available for Parking or Land leases.

Section III

**MISSOURI
STATE
FINANCES**

MO STATE EXPENDITURES
FY 1996 to FY 2005

DEPARTMENT

	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Public Debt										
GR	\$83,090,256	\$95,185,127	\$98,464,065	\$98,342,240	\$100,514,395	\$100,246,281	\$98,871,530	\$44,656,216	\$68,827,494	\$100,301,314
FED	-	-	-	-	-	-	-	-	-	0
OTH	87,510,348	91,918,181	95,251,783	103,856,705	-	-	-	-	987,647	980,106
TOTAL	\$170,600,604	\$187,103,308	\$193,715,848	\$202,198,945	\$100,514,395	\$100,246,281	\$98,871,530	\$44,656,216	\$69,815,141	\$101,281,420
DESE										
GR	\$1,992,290,538	\$2,105,536,177	\$2,156,948,658	\$2,190,439,705	\$2,246,166,141	\$2,373,336,192	\$2,440,192,352	\$2,323,936,885	\$2,447,249,919	\$2,568,539,993
FED	376,679,338	400,756,892	454,761,523	481,345,301	533,247,232	536,552,395	648,557,824	725,455,637	786,607,097	865,603,835
OTH	678,826,106	743,262,730	920,334,110	966,485,700	1,075,782,861	1,149,018,443	1,174,458,519	1,314,484,978	1,163,312,699	1,201,276,384
TOTAL	\$3,047,795,982	\$3,249,555,799	\$3,532,044,291	\$3,638,270,706	\$3,855,196,234	\$4,058,907,030	\$4,263,208,695	\$4,363,877,500	\$4,397,169,715	\$4,635,420,212
Higher Education										
GR	\$638,421,627	\$703,848,200	\$728,289,826	\$827,984,646	\$878,432,055	\$925,407,395	\$798,708,350	\$819,136,439	\$815,064,751	\$834,519,478
FED	2,495,648	1,763,036	744,180	1,189,816	1,650,838	2,000,327	2,742,744	3,450,213	2,570,995	3,708,882
OTH	128,868,286	128,027,393	153,663,101	130,007,359	123,508,218	131,538,824	144,377,849	163,422,403	135,883,629	148,923,952
TOTAL	\$769,785,561	\$833,638,629	\$882,697,107	\$959,181,821	\$1,003,591,111	\$1,058,946,546	\$945,828,943	\$986,009,055	\$953,519,375	\$987,152,312
Revenue(Net Refunds)										
GR	\$48,092,471	\$59,118,058	\$61,811,490	\$68,116,058	\$78,080,599	\$72,496,737	\$68,850,579	\$66,216,732	\$69,387,674	\$76,582,278
FED	258,132	242,635	212,900	42,174	44,612	151,563	89,357	836,166	5,771,302	6,322,475
OTH	481,626,636	518,676,995	391,608,625	553,190,171	335,955,430	317,307,045	333,721,110	352,197,778	378,884,088	357,773,217
TOTAL	\$529,977,239	\$578,037,688	\$453,633,015	\$621,348,403	\$414,080,641	\$389,955,345	\$402,661,046	\$419,250,676	\$454,043,064	\$440,677,970
Transportation										
GR	\$6,117,866	\$6,741,206	\$10,178,850	\$17,183,769	\$17,303,319	\$16,483,238	\$16,482,799	\$10,385,355	\$11,304,721	\$11,759,808
FED	23,927,548	27,196,797	30,352,710	31,266,904	27,114,584	27,917,595	22,584,007	29,251,978	43,116,626	51,989,494
OTH	1,030,832,344	1,103,181,816	1,050,765,480	1,140,747,135	1,406,380,440	1,445,101,154	1,755,033,311	1,780,374,816	1,772,888,104	1,687,609,010
TOTAL	\$1,060,877,758	\$1,137,119,819	\$1,091,297,040	\$1,189,197,808	\$1,450,798,343	\$1,489,501,987	\$1,794,100,117	\$1,820,012,149	\$1,827,309,451	\$1,751,358,312
Office of Admin *										
GR	\$317,080,087	\$363,940,574	\$340,566,948	\$405,610,209	\$424,818,976	\$504,047,658	\$537,111,294	\$136,087,137	\$151,352,958	\$166,602,191
FED	52,752,349	61,057,824	62,844,999	74,527,565	85,379,647	100,004,219	135,032,446	4,602,910	4,147,741	6,366,349
OTH	143,075,208	84,508,082	88,489,293	94,968,783	91,754,220	115,911,958	113,137,159	37,883,011	32,015,575	8,183,529
TOTAL	\$512,907,644	\$509,506,480	\$491,901,240	\$575,106,557	\$601,952,843	\$719,963,835	\$785,280,899	\$178,573,058	\$187,516,274	\$181,152,069

* - Prior to FY 2003, actual employee benefit costs were included in the Office of Administration.

9/14/2005 Prepared By: Senate Appropriations Staff

MO STATE EXPENDITURES
FY 1996 to FY 2005

DEPARTMENT

	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Employee Benefits										
GR	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$398,562,945	\$424,157,043	\$455,603,218
FED	-	-	-	-	-	-	-	103,166,248	106,421,828	129,439,286
OTH	-	-	-	-	-	-	-	101,673,617	106,800,434	129,106,401
TOTAL	\$0	\$603,402,810	\$637,379,305	\$714,148,905						
Agriculture										
GR	\$9,426,728	\$11,703,040	\$11,132,278	\$12,756,376	\$13,820,692	\$13,346,489	\$12,832,632	\$13,139,227	\$12,968,647	\$14,530,608
FED	374,159	448,021	542,779	541,203	474,566	799,298	912,034	1,367,803	2,107,012	1,962,335
OTH	17,874,499	19,145,705	18,499,670	7,926,854	9,057,909	9,159,086	11,589,032	10,585,908	10,619,032	9,837,002
TOTAL	\$27,675,386	\$31,296,766	\$30,174,727	\$21,224,433	\$23,353,167	\$23,304,873	\$25,333,698	\$25,092,938	\$25,694,691	\$26,329,945
Natural Resources										
GR	\$9,284,440	\$9,611,905	\$11,149,001	\$15,760,497	\$14,944,846	\$17,848,487	\$12,200,719	\$10,530,395	\$8,595,916	\$7,815,188
FED	22,929,017	20,030,525	22,952,737	21,589,657	23,866,708	25,360,220	30,329,285	31,802,494	31,827,742	33,258,642
OTH	163,107,824	95,616,121	160,436,800	181,899,463	116,436,646	113,959,498	122,041,229	121,582,383	155,985,145	276,974,388
TOTAL	\$195,321,281	\$125,258,551	\$194,538,538	\$219,249,617	\$155,248,200	\$157,168,205	\$164,571,233	\$163,915,272	\$196,408,803	\$318,048,218
Conservation										
GR	-	-	-	-	-	-	-	-	-	0
FED	-	-	-	-	-	-	-	-	-	0
OTH	\$88,520,401	\$100,089,573	\$89,381,173	\$84,090,047	\$107,891,479	\$110,625,250	\$109,881,228	\$114,705,274	\$121,157,301	\$121,944,528
TOTAL	\$88,520,401	\$100,089,573	\$89,381,173	\$84,090,047	\$107,891,479	\$110,625,250	\$109,881,228	\$114,705,274	\$121,157,301	\$121,944,528
Economic Dev										
GR	\$27,241,235	\$18,489,067	\$18,394,531	\$63,459,407	\$61,197,849	\$63,834,967	\$41,533,514	\$38,480,160	\$37,004,001	\$39,291,273
FED	108,464,256	89,385,862	78,225,817	88,267,493	117,216,848	103,517,728	121,262,370	112,649,078	128,514,544	153,300,568
OTH	54,184,278	69,945,743	73,718,134	83,041,375	57,408,692	52,260,744	52,876,917	51,007,757	48,125,571	48,187,648
TOTAL	\$189,889,769	\$177,820,672	\$170,338,482	\$234,768,275	\$235,823,389	\$219,613,439	\$215,672,801	\$202,136,995	\$213,644,116	\$240,779,489
Insurance										
GR	-	-	-	-	-	-	-	-	-	-
FED	\$191,678	\$210,592	\$188,056	\$406,906	\$166,306	\$357,316	\$400,000	\$312,958	\$272,210	\$439,248
OTH	10,082,762	11,060,370	11,255,263	11,749,846	11,965,896	12,070,445	12,678,606	12,569,585	11,984,680	11,933,207
TOTAL	\$10,274,440	\$11,270,962	\$11,443,319	\$12,156,752	\$12,132,202	\$12,427,761	\$13,078,606	\$12,882,543	\$12,256,890	\$12,372,455

* - Prior to FY 2003, actual employee benefit costs were included in the Office of Administration.

9/14/2005 Prepared By: Senate Appropriations Staff

MO STATE EXPENDITURES
FY 1996 to FY 2005

DEPARTMENT

	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Labor										
GR	\$3,209,391	\$3,711,741	\$4,544,751	\$4,845,721	\$4,333,155	\$4,927,603	\$3,805,756	\$3,516,405	\$2,958,825	\$2,518,257
FED	74,498,850	75,646,663	67,106,526	64,238,619	45,286,517	45,661,804	50,178,908	40,184,791	42,273,080	43,253,253
OTH	32,484,683	40,181,675	41,880,521	44,018,179	44,119,602	53,371,955	65,692,539	71,586,562	83,821,878	96,800,155
TOTAL	\$110,192,924	\$119,540,079	\$113,531,798	\$113,102,519	\$93,739,274	\$103,961,362	\$119,677,203	\$115,287,758	\$129,053,783	\$142,571,665
Public Safety										
GR	\$33,253,449	\$40,971,204	\$43,139,419	\$45,285,381	\$47,248,297	\$48,871,907	\$42,235,016	\$43,899,204	\$42,252,445	\$43,654,130
FED	30,425,253	34,054,395	43,810,177	59,803,891	56,710,959	57,710,500	82,496,343	130,897,118	98,628,735	102,993,602
OTH	165,223,202	153,483,428	151,600,340	145,980,885	159,110,000	178,751,849	194,898,678	184,485,866	197,435,108	227,699,250
TOTAL	\$228,901,904	\$228,509,027	\$238,549,936	\$251,070,157	\$263,069,256	\$285,334,256	\$319,630,037	\$359,282,188	\$338,316,288	\$374,346,982
Corrections										
GR	\$248,728,190	\$296,860,239	\$365,371,981	\$385,215,588	\$417,873,544	\$419,775,315	\$460,224,624	\$480,879,881	\$492,485,349	\$508,151,066
FED	1,639,350	2,204,143	3,242,900	2,928,196	3,741,687	4,434,593	6,724,334	4,519,330	4,784,942	4,730,775
OTH	22,399,223	27,639,491	36,475,829	33,414,850	29,359,391	30,919,178	25,212,615	31,046,560	30,671,383	30,611,250
TOTAL	\$272,766,763	\$326,703,873	\$405,090,710	\$421,558,634	\$450,974,622	\$455,129,086	\$492,161,573	\$516,445,771	\$527,941,674	\$543,493,091
Mental Health										
GR	\$410,598,490	\$440,049,132	\$459,087,852	\$488,373,633	\$513,321,021	\$529,475,432	\$534,022,440	\$505,786,104	\$502,633,401	\$512,762,733
FED	38,756,197	38,510,934	37,841,322	75,468,915	79,190,395	78,366,142	88,000,066	101,986,367	323,198,393	350,620,718
OTH	64,285,419	57,738,343	47,418,070	17,130,900	22,262,651	19,662,106	22,179,561	35,398,047	31,975,608	36,275,528
TOTAL	\$513,640,106	\$536,298,409	\$544,347,244	\$580,973,448	\$614,774,067	\$627,503,680	\$644,202,067	\$643,170,518	\$857,807,402	\$899,658,979
Health										
GR	\$35,180,856	\$44,352,671	\$48,219,035	\$54,227,423	\$56,769,181	\$92,030,539	\$86,776,357	\$79,042,857	\$72,120,587	\$69,755,302
FED	170,192,970	169,780,195	171,067,288	185,096,244	179,995,574	231,519,879	247,408,847	259,181,362	276,725,979	291,842,477
OTH	8,965,977	11,243,393	12,412,842	12,981,778	13,085,818	15,407,000	17,610,959	28,748,897	33,482,411	34,214,460
TOTAL	\$214,339,803	\$225,376,259	\$231,699,165	\$252,305,445	\$249,850,573	\$338,957,418	\$351,796,163	\$366,973,116	\$382,328,977	\$395,812,239
Social Services										
GR	\$776,178,746	\$854,589,654	\$892,082,416	\$1,006,949,861	\$1,093,382,032	\$1,076,524,476	\$1,170,247,366	\$1,106,405,491	\$1,205,302,334	\$1,440,510,824
FED	1,783,705,389	2,102,141,103	2,323,464,045	2,754,737,817	3,219,014,206	3,436,133,135	3,790,476,524	4,038,881,105	4,020,462,595	3,367,567,010
OTH	542,552,061	275,627,849	466,866,662	491,056,932	220,476,396	408,030,999	593,695,913	504,009,545	435,263,276	1,508,821,674
TOTAL	\$3,102,436,196	\$3,232,358,606	\$3,682,413,123	\$4,252,744,610	\$4,532,872,634	\$4,920,688,610	\$5,554,419,803	\$5,649,296,141	\$5,661,028,205	\$6,316,899,508

* - Prior to FY 2003, actual employee benefit costs were included in the Office of Administration.

9/14/2005 Prepared By: Senate Appropriations Staff

MO STATE EXPENDITURES

FY 1996 to FY 2005

DEPARTMENT

	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Elected Officials										
GR	\$34,578,445	\$33,808,028	\$19,957,453	\$42,325,304	\$43,409,634	\$45,530,594	\$42,284,419	\$42,611,552	\$40,522,104	\$44,503,179
FED	2,900,721	5,553,561	997,922	3,211,405	3,804,013	3,660,740	4,145,744	4,560,587	5,381,990	15,404,560
OTH	12,087,091	11,171,475	8,864,623	13,079,886	15,785,640	20,370,519	24,895,222	27,579,683	30,216,809	31,122,470
TOTAL	\$49,566,257	\$50,533,064	\$29,819,998	\$58,616,595	\$62,999,287	\$69,561,853	\$71,325,385	\$74,751,822	\$76,120,903	\$91,030,209
Judiciary										
GR	\$83,215,732	\$88,991,143	\$94,248,289	\$106,292,792	\$130,888,089	\$143,690,464	\$140,517,393	\$139,003,782	\$136,982,040	\$140,697,623
FED	2,209,798	2,734,444	3,543,742	6,227,168	6,731,717	5,217,333	3,660,881	4,950,075	6,186,858	5,531,703
OTH	3,053,119	5,684,970	3,998,578	6,827,599	5,255,718	2,955,854	5,195,533	5,122,784	5,740,709	8,393,255
TOTAL	\$88,478,649	\$97,410,557	\$101,790,609	\$119,347,559	\$142,875,524	\$151,863,651	\$149,373,807	\$149,076,641	\$148,909,607	\$154,622,581
Public Defender										
GR	\$17,898,469	\$20,829,738	\$21,320,420	\$24,105,873	\$27,039,675	\$26,920,525	\$28,503,733	\$28,837,478	\$27,818,869	\$28,461,895
FED	80,589	87,349	32,393	-	-	-	-	-	-	0
OTH	982,380	686,077	817,192	1,385,415	696,500	1,129,452	752,435	1,193,698	1,141,187	1,712,172
TOTAL	\$18,961,438	\$21,603,164	\$22,170,005	\$25,491,288	\$27,736,175	\$28,049,977	\$29,256,168	\$30,031,176	\$28,960,056	\$30,174,067
General Assembly										
GR	\$24,041,875	\$25,564,045	\$26,334,613	\$28,311,562	\$30,023,991	\$32,457,072	\$31,218,745	\$30,933,643	\$29,444,024	\$29,369,558
FED	-	-	-	-	-	-	-	-	-	0
OTH	641,460	332,159	242,373	222,160	269,705	210,929	129,984	52,716	86,281	88,402
TOTAL	\$24,683,335	\$25,896,204	\$26,576,986	\$28,533,722	\$30,293,696	\$32,668,001	\$31,348,729	\$30,986,359	\$29,530,305	\$29,457,960
Statewide Leasing										
GR	\$12,467,889	\$16,782,196	\$17,775,009	\$18,928,407	\$20,930,676	\$22,953,326	\$23,308,688	\$27,135,310	\$25,084,261	\$23,852,224
FED	12,726,679	12,002,171	11,771,758	11,647,292	12,621,257	13,326,581	14,030,835	13,595,954	13,043,365	13,343,549
OTH	4,049,875	4,743,094	4,659,947	6,853,043	4,214,902	5,183,930	5,336,171	5,533,626	5,268,817	5,422,252
TOTAL	\$29,244,443	\$33,527,461	\$34,206,714	\$37,428,742	\$37,766,835	\$41,463,837	\$42,675,694	\$46,264,890	\$43,396,443	\$42,618,025
Total Operating										
GR	\$4,810,396,780	\$5,240,683,145	\$5,429,016,885	\$5,904,514,452	\$6,220,498,167	\$6,530,204,697	\$6,589,928,306	\$6,349,183,198	\$6,623,517,363	\$7,119,782,140
FED	2,705,207,921	3,043,807,142	3,313,703,774	3,862,536,566	4,396,257,666	4,672,691,368	5,249,032,549	5,611,652,174	5,902,043,034	5,447,678,761
OTH	3,741,233,182	3,553,964,663	3,828,640,409	4,130,915,065	3,850,778,114	4,192,946,218	4,785,394,570	4,955,245,494	4,793,747,372	5,983,890,240
TOTAL	\$11,256,837,883	\$11,838,454,950	\$12,571,361,068	\$13,897,966,083	\$14,467,533,947	\$15,395,842,283	\$16,624,355,425	\$16,916,080,866	\$17,319,307,769	\$18,551,351,141

* - Prior to FY 2003, actual employee benefit costs were included in the Office of Administration.

9/14/2005 Prepared By: Senate Appropriations Staff

MISSOURI STATE CAPITAL IMPROVEMENTS APPROPRIATIONS HISTORY: FY 1979 - FY 2006

Fiscal Year	Appropriation for Maintenance & New Construction				Maintenance by Fund Source				New Construction by Fund Source			
	Maintenance & Repair	New Construction	ADA*	Total Capital Improve.	General Revenue	Third State Building Fund	Fourth State Building Fund	Other	General Revenue	Third State Building Fund	Fourth State Building Fund	Other
1979	15,538,125	76,579,632	n/a	92,117,757	0	0	n/a	15,538,125	(81,672,696)	0	n/a	158,252,328
1980 ¹	17,606,024	85,285,841	n/a	102,891,865	0	0	n/a	17,606,024	(92,446,804)	0	n/a	177,732,645
1981	22,024,178	125,489,921	n/a	147,514,099	18,260,317	0	n/a	3,763,861	(137,069,038)	0	n/a	262,558,959
1982	11,555,707	34,735,838	n/a	46,291,545	4,961,672	0	n/a	6,594,035	(35,846,484)	0	n/a	70,582,322
1983 ²	44,659,002	100,370,242	n/a	145,029,244	15,355,252	27,000,000	n/a	2,303,750	(134,584,183)	48,000,000	n/a	186,954,425
1984 ³	42,500,000	37,461,900	n/a	79,961,900	0	42,500,000	n/a	0	(69,516,839)	7,500,000	n/a	99,478,739
1985	34,000,000	170,941,858	n/a	204,941,858	0	34,000,000	n/a	0	(194,496,797)	41,000,000	n/a	324,438,655
1986	80,031,920	464,859,605	n/a	544,891,525	0	80,000,000	n/a	31,920	(534,446,464)	320,000,000	n/a	679,306,069
1987	32,420,658	93,887,074	n/a	126,307,732	29,040,358	650,000	n/a	2,730,300	26,946,874	0	n/a	66,940,200
1988	36,762,491	74,438,519	n/a	111,201,010	3,201,891	29,750,000	n/a	3,810,600	12,184,480	5,250,000	n/a	57,004,039
1989	25,029,217	98,045,830	n/a	123,075,047	7,271,317	11,050,000	n/a	6,707,900	30,411,575	0	n/a	67,634,255
1990	25,438,134	75,556,935	n/a	100,995,069	13,360,320	8,095,900	n/a	3,981,914	12,410,583	3,863,776	n/a	59,282,576
1991	20,559,118	51,615,393	n/a	72,174,511	8,783,287	9,174,488	n/a	2,601,343	2,613,165	4,029,944	n/a	44,972,284
1992	6,077,412	51,026,239	n/a	57,103,651	102,000	4,278,421	n/a	1,696,991	5,842,469	1,678,665	n/a	43,505,105
1993	13,451,045	101,518,881	n/a	114,969,926	7,223,888	1,487,500	n/a	4,739,657	56,772,257	262,500	n/a	44,484,124
1994	15,105,914	69,432,398	38,507,704	123,046,016	5,323,903	0	n/a	9,782,011	17,790,470	0	n/a	51,641,928
1995	21,062,406	391,155,679	n/a	412,218,085	13,486,681	1,004,084	n/a	6,571,641	6,243,178	994,836	250,000,000	133,917,665
1996-97 ⁴	45,979,315	363,397,366	n/a	409,376,681	33,338,894	0	0	12,640,421	192,356,673	0	0	171,040,693
1997	0	362,195,578	n/a	362,195,578	0	0	0	0	326,671,012	0	0	35,524,566
1998-99	60,158,925	490,660,340	1,124,000	551,943,265	26,146,444	1,402,500	0	32,609,981	247,900,896	247,500	4,150,000	239,485,944
1999	0	185,866,273	n/a	185,866,273	0	0	0	0	148,596,895	0	0	37,269,378
2000-01	59,269,229	485,464,477	2,000,951	546,734,657	2,677,106	0	0	56,592,123	90,851,785	0	11,824,800	384,788,843
2001	0	161,449,378	0	161,449,378	0	0	0	0	155,259,154	0	0	6,190,224
2002-03	89,978,254	74,532,065	0	164,510,319	70,311,606	0	0	19,666,648	6,916,295	0	0	67,615,770
2003	0	5,807,645	0	5,807,645	0	0	0	0	0	0	0	5,807,645
2004	133,537,022	223,559,884	0	357,096,906	83,800,084	0	0	49,736,938	1,000	0	0	223,558,884
2005	0	3,625,045	0	3,625,045	0	0	0	0	625,044	0	0	3,000,001
2006	112,893,818	182,986,121	0	295,879,939	81,086,755	0	0	31,807,063	13,700,525	0	0	169,285,596

¹ Fiscal Year 1980 includes \$49,150,000 for Truman State Office Building vetoed by the Governor (veto overridden).

² Fiscal Year 1983 includes appropriations from the 1983 Special Session.

³ Fiscal Year 1984 includes appropriations from the 1984 Special Session.

⁴ Fiscal Year 1996 biennial appropriations implemented.

*ADA – Americans with Disabilities Act

Prepared by Senate Appropriations Staff

CONSENSUS STATE REVENUE ESTIMATE & RECEIPTS FY 2003 thru FY 2006

The consensus revenue estimate calculated by the Office of Administration and the General Assembly attempts to provide an accurate revenue forecast for the upcoming fiscal year, based upon projections of both the national and state economic conditions and trends. The revenue estimate is one of the first areas that is analyzed before the state budget is formulated and is usually finalized in the December preceding the next fiscal year.

CONSENSUS REVENUE ESTIMATE FOR FISCAL YEARS 2005 & 2006 (Millions \$)

	Original Estimate FY 2005	Revised Estimate FY 2005	Original Estimate FY 2006	FY 2006 Est. vs FY 2005 Rev. Est.
				% Change
GENERAL REVENUE:				
Sales & Use Tax	\$1,979.6	\$1,974.0	\$2,007.6	1.70%
Individual Income Tax	4,821.4	4,787.8	5,018.5	4.82%
Corporate Income/Franchise Tax	440.9	465.0	481.8	3.61%
County Foreign Insurance Tax	167.9	166.0	169.3	1.99%
Liquor Taxes and Licenses	24.0	23.0	23.5	2.17%
Beer Taxes and Licenses	8.7	8.6	8.8	2.33%
Inheritance/Estate Tax	46.4	44.0	11.0	-75.00%
Interest	17.9	15.7	16.2	3.18%
Federal Reimbursements	85.2	85.8	87.0	1.40%
Other Sources	121.2	137.9	134.8	-2.25%
TOTAL GENERAL REVENUE	7,713.2	7,707.8	7,958.5	3.25%
*Less Refunds	(1,219.6)	(1,119.7)	(1,179.2)	5.31%
NET BASE GENERAL REVENUE	6,493.6	6,588.1	6,779.3	2.90%

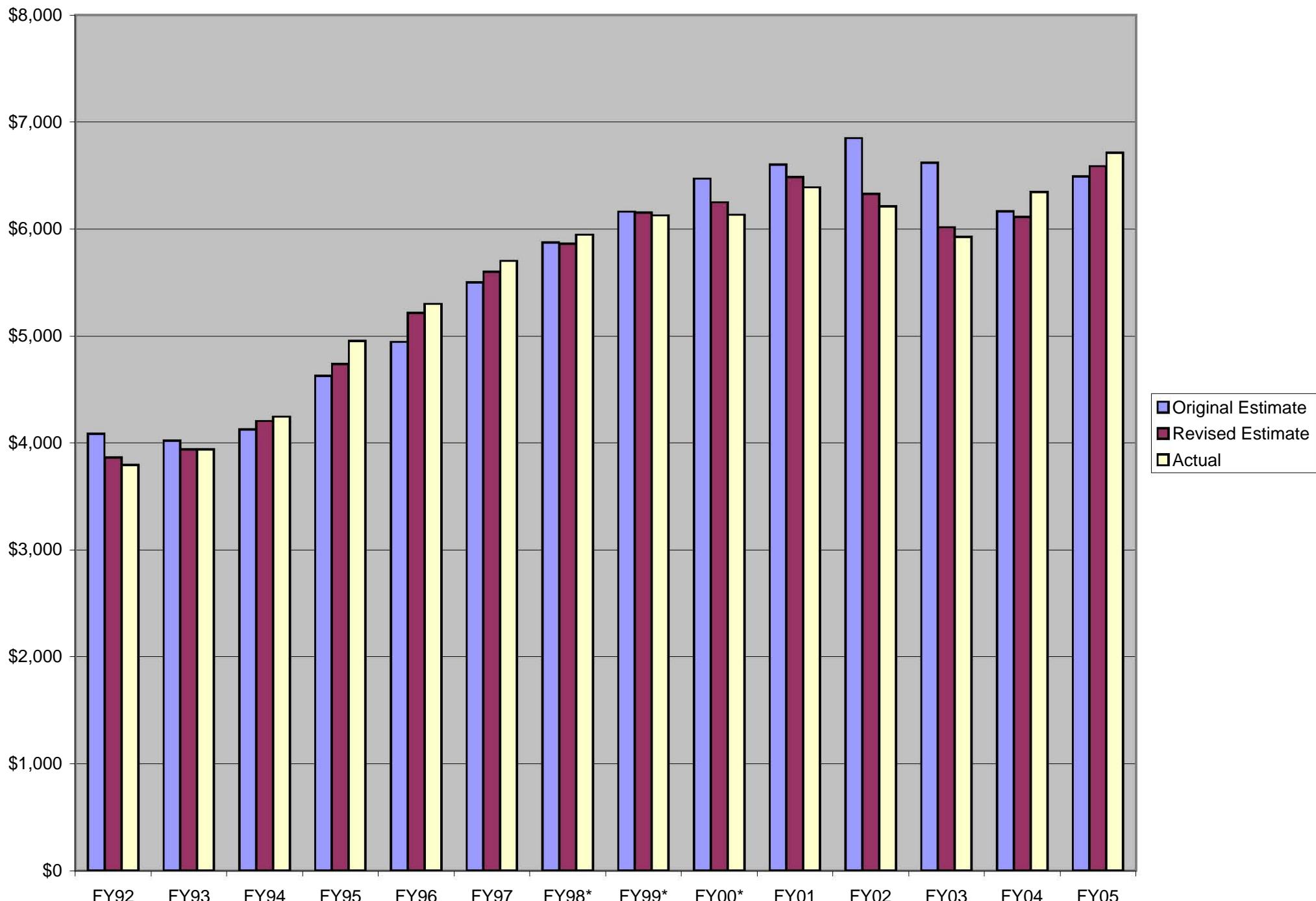
GENERAL REVENUE RECEIPTS FOR FISCAL YEAR 2003, 2004 & 2005 (Millions \$)

	Receipts FY 2003 (1)	Receipts FY 2004 (1)	Receipts FY 2005	FY 2005 vs. FY 2004 % Change
GENERAL REVENUE:				
Sales & Use Tax	\$1,799.3	\$1,902.4	\$1,957.8	2.91%
Individual Income Tax	4,368.7	4,572.2	4,859.3	6.28%
Corporate Income/Franchise Tax	403.8	421.0	473.8	12.55%
County Foreign Insurance Tax	157.1	162.1	165.5	2.08%
Liquor Taxes and Licenses	21.4	22.5	23.0	2.36%
Beer Taxes and Licenses	8.2	8.3	8.2	-1.93%
Inheritance/Estate Tax	79.1	75.1	42.2	-43.79%
Interest	21.1	16.2	18.8	15.49%
Federal Reimbursements	104.0	87.8	86.8	-1.11%
Other Sources	123.7	153.2	147.4	-3.80%
TOTAL GENERAL REVENUE	7,086.5	7,420.8	7,782.7	4.88%
*Less Refunds	(1,160.2)	(1,075.0)	(1,071.3)	-0.35%
NET BASE GENERAL REVENUE	5,926.3	6,345.8	6,711.4	5.76%

(1) FY03 Receipts and FY04 Estimated Receipts does not include \$95,133,169 payment for Federal Relief to the States.

* Per section 136.035, RSMo, the Department of Revenue will pay refunds on any overpayment or erroneous payment of tax that the state collects. This includes, but may not be limited to, refund claims for senior citizens, sales, income, withholding, corporate, and other refunds.

Comparision of the Consensus Revenue Estimate to Actual Collections
(Millions \$)



* In FY98, FY99, & FY00 the General Assembly passed tax cuts after the orginal estimate was completed.

State of Missouri Bonded Indebtedness

The General Assembly is authorized by constitutional and statutory provisions to authorize the issuance of debt for various purposes. The Board of Fund Commissioners and the Board of Public Buildings are responsible for managing the state's issuance of general obligation instruments and revenue bonds, respectively. In addition, the General Assembly has created several financing authorities responsible for raising capital via debt issuance for specific purposes.

General Obligation Instruments

The State of Missouri presently has several outstanding issues of Water Pollution Control (WPC), Third State Building (TSB), Fourth State Building (FSB), and Stormwater Control Bonds (SWB) general obligation bonds. WPC bonds provide funding for various projects aimed at protecting the environment through the control of water pollution. TSB bonds provide funding for necessary improvements to state buildings and property. FSB bonds provide funding for improvements of buildings and property of higher education institutions, the Department of Corrections, and the Division of Youth Services. SWB bonds provide funds for state use to protect the environment through the control of stormwaters. All are secured by a pledge of the full faith and credit of the state of Missouri.

The Constitution of the State of Missouri establishes limits for WPC, TSB, FSB and SWB bonds. The constitutional limit on WPC bonds is \$725 million (Article III, § 37(b), 37(c), 37(e), Missouri Constitution). The constitutional limit on TSB bonds is \$600 million (Article III, § 37(d), Missouri Constitution). The constitutional limit on FSB bonds is \$250 million (Article III, § 37 (f), Missouri Constitution). The constitutional limit on SWB bonds is \$200 million (Article III, § 37(h)). The amount of WPC bonds that remain authorized but not yet issued is \$210,505,760. There is no remaining amount of authorization to be issued for the TSB and FSB bonds.

Revenue Bonds

Upon approval of the General Assembly, the Board of Public Buildings is authorized to issue revenue bonds for state building projects to house state agencies. The Department of Natural Resources (DNR) is also authorized to issue revenue bonds with the General Assembly's approval. DNR uses revenue bond proceeds for the acquisition and/or development of park facilities.

Revenue bonds are secured by revenues generated from the projects they finance and are not backed by the full faith and credit of the state. Section 8.420, RSMo, limits revenue bond issuance by the Board of Public Buildings to \$825 million. Sections 253.210-253.280, RSMo, limit revenue bonds issued by DNR to \$5,167,000 for state parks.

Both the Board of Public Buildings and DNR are allowed by statute to issue bonds for the purpose of refunding outstanding issues. As with general obligation bonds, revenue bonds are refunded when lower rates of interest are available.

In May of 2001, the Board issued \$173,870,000 principal amount of State Building Special Obligation Bonds, Series A 2001 for the purpose of financing the Jefferson City Correctional Center, the Western Missouri Mental Health Center, and the Department of Natural Resources Office Building, to purchase a building presently being leased by the State and pay certain costs of issuance of the Bonds. In 2003, \$387,425,000 was issued to reimburse General Revenue for costs of various capital improvements projects and new construction for a state health laboratory, University of Missouri – Kansas City Pharmacy building, and a University of Missouri – Columbia Life Sciences building.

Other Debt Issuances

On August 15, 1991, the St. Louis Regional Convention and Sports Complex Authority issued \$132,910,000 of Convention and Sports Facility Project bonds for the eastern expansion of the existing Cervantes Convention Center in St. Louis. These bonds are limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the state. However, under a financing agreement dated August 1, 1991, appropriations are made from General Revenue to pay the principal and interest due each year. The Regional Convention and Sports Complex Authority issued \$121,705,000 of Convention and Sports Facility Refunding Bonds in December 1993. Payments are to conclude in fiscal year 2021. Annual appropriation is \$2,000,000.

Section 67.641 RSMo establishes appropriations up to \$2,000,000 annually to be paid from the state general revenue fund to each convention and sports complex fund created pursuant to Section 67.639. In 1997 Section 67.641 RSMo was revised and annual state contributions was increased from \$2,000,000 to \$3,000,000. In fiscal year 1991 the Kansas City Convention Center (Bartle Hall) began receiving \$2,000,000 annually from the State. Payments will continue until fiscal year 2015. In fiscal year 1991 Jackson County Convention Center (Kauffman/Arrowhead Stadium) began receiving \$2,000,000. In fiscal year 1998 the amount was increased to \$3,000,000 and will continue until fiscal year 2015.

On November 1, 2001, the Missouri Health and Education Facilities Authority (MOHEFA) issued \$35,000,000 of Educational Facilities Revenue Bonds Series 2001 to finance the University of Missouri – Columbia Arena Project. The State's debt service payments began in fiscal year 2005 when the first principal payment was due. Interest amounts due prior to fiscal year 2005 were paid from interest capitalized from the bond proceeds. Payments will continue until fiscal year 2022.

On August 1, 1999, the Springfield, Missouri State Highway Improvement Corporation issued \$17,240,000 of Springfield, Missouri State Highway Improvement Corporation Transportation Revenue Bonds Series 1999 for the purpose of financing improvements to various projects of the Highway and Transportation Commission and the City of Springfield. These bonds are not an obligation of the Corporation and do not constitute a pledge of the full faith and credit of the State. However, under an amended financing agreement dated August 5, 1999, the Missouri Highway and Transportation Commission will make payments to the corporation in amounts sufficient to pay principal and interest due on \$11,368,588 of bonds. The City of Springfield will pay the remainder of the debt service requirements.

On September 1, 1997, the Missouri Highway 179 Transportation Corporation issued \$22,930,000 of highway revenue bonds for the purpose of acquisition of right-of-way and

construction of an extension of Missouri Highway 179 from U.S. Highway 50 to Route B in Cole County, Missouri. At the same time, the Highway and Transportation Commission entered into a financing agreement to make payment to the Corporation in amounts sufficient to pay principal and interest due on \$18,385,625 of bonds. These bonds are not an obligation of the Corporation and do not constitute a pledge of the full faith and credit of the State. The City of Jefferson and the County of Cole will pay the remainder of the debt service requirements.

In May 2001, the Wentzville Parkway Transportation Corporation issued \$12,935,000 of Transportation Revenue Bonds, Series 2001 for the purpose of financing the Wentzville Parkway project. These bonds are not an obligation of the Corporation and do not constitute a pledge of the full faith and credit of the State. At the same time, the Missouri Highways and Transportation Commission entered into a financing agreement to make payments to the Corporation amounts sufficient to pay principal on \$8,849,000 of the bonds.

The Fulton 54 Transportation Corporation issued \$8,705,000 of Highway Revenue Bonds Series 2000 dated September 1, 2000. These bonds are not an obligation of the corporation and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement dated September 1, 2000, the Missouri Highways and Transportation Commission will make payments to the Corporation in amounts sufficient to pay principal due on \$7,695,000 of bonds. The remainder of the debt service requirements will be paid by the City of Fulton.

The Missouri Highways and Transportation Commission authorized by the State Highway Act, issued \$250,000,000 of State Road Bonds Series A 2000 dated December 1, 2000, for the purpose of providing funds to finance project costs for highway construction and repairs scheduled in the five-year plan, to fund capitalized interest on the series, and to fund related issuance cost. The principal and interest of the State Road Bonds are payable solely from the State Road Fund's revenues as provided in the Missouri Constitution. In October 2001, \$200,000,000 of Series A 2001 State Road Bonds were issued and in June 2002 \$203,000,000 of Series A 2002 State Road Bonds were issued. The Commission also issued an additional \$254,000,000 of Series A 2003 State Road Bonds in November 25, 2003.

On December 2002, the Conservation Commission sold Certificates of Participation (Conservation Commission Project) Series 2002 in the amount of \$4,700,000 to lease/purchase the Conservation Campus in Cape Girardeau from the county. The state's obligation under the certificates of participation does not constitute a general obligation or other indebtedness of the state. The certificates of participation represent proportionate ownership interests of the certificate holders in a lease agreement. The certificates do not constitute a pledge of the full faith and credit of the State.

Lease/Purchase Agreements

On March 1, 1994, Missouri Public Facilities Corporation sold Certificates of Participation (Acute Care Psychiatric Hospital Project) Series A 1994 in the amount of \$22,250,000. The State of Missouri entered into a lease/purchase agreement to lease the acute care psychiatric hospital. The certificates of participation represent proportionate ownership interests of the certificate holders in the lease agreement. The certificates do not constitute a pledge of the full faith and credit of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the certificates.

On April 1, 1995, the Missouri PRC Corporation sold Certificates of Participation (Psychiatric Rehabilitation Center Project) Series A 1995 in the amount of \$19,190,000. At the same time, the State of Missouri entered into a lease/purchase agreement to lease the psychiatric rehabilitation center. The certificates do not constitute a pledge of the full faith and credit of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the certificates, and are subject to annual appropriation by the General Assembly.

On July 1, 1995, the Northwest Missouri Public Facilities Corporation sold Certificates of Participation (Northwest Missouri Psychiatric Rehabilitation Center Project) Series B 1995 in the amount of \$14,795,000. The State of Missouri entered into a lease/purchase agreement to lease the psychiatric rehabilitation center. The certificates do not constitute a pledge of the full faith and credit of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the certificates, and are subject to annual appropriation by the General Assembly.

On May 27, 1999, the Missouri Public Facilities Corporation II sold Certificates of Participation (Bonne Terre Prison Project) Series A 1999 in the amount of \$106,190,000. At the same time, the State of Missouri entered into a lease/purchase agreement to lease the prison. The certificates of participation represent proportionate ownership interests of the certificate holders in the lease agreement. The certificates do not constitute a pledge of the full faith and credit of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the certificates, and are subject to annual appropriation by the State legislature.

On March 1, 2005, the State issued Refunding Certificates of Participation Series A 2005 in the amount of \$120,490,000. The Refunding Certificates of Participation refunded \$13,945,000 of Missouri Public Facilities Corporation Certificates of Participation (Acute Care Psychiatric Hospital Project) Series A 1994, \$13,400,000 Of Missouri PRC Corporation Certificates of Participation (Psychiatric Rehabilitation Center Project) Series A 1995, \$9,915,000 of Northwest Missouri Public Facilities Corporation Certificates of Participation (Northwest Missouri Psychiatric Rehabilitation Center Project) Series B 1995 and \$83,480,000 of Missouri Public Facilities Corporation II Certificates of Participation (Bonne Terre Prison Project) Series A 1999. The certification of participation represent proportionate ownership interests of the certificate holders in the lease agreement. The certificate does not constitute a pledge of the full faith and credit of the State.

Tax Credit Analysis

Tax credits have been a part of Missouri's tax system for decades. For instance, the Neighborhood Assistance Credit became effective in 1978. During the mid-to-late 1990s, however, Missouri experienced significant revenue growth that triggered successive years of Article X refunds to taxpayers. Along with cutting taxes, the General Assembly passed numerous tax credit programs to restrain revenue growth under the Article X revenue cap and affect certain public policies. Below are 21 tax credits with effective dates of 1998 or later:

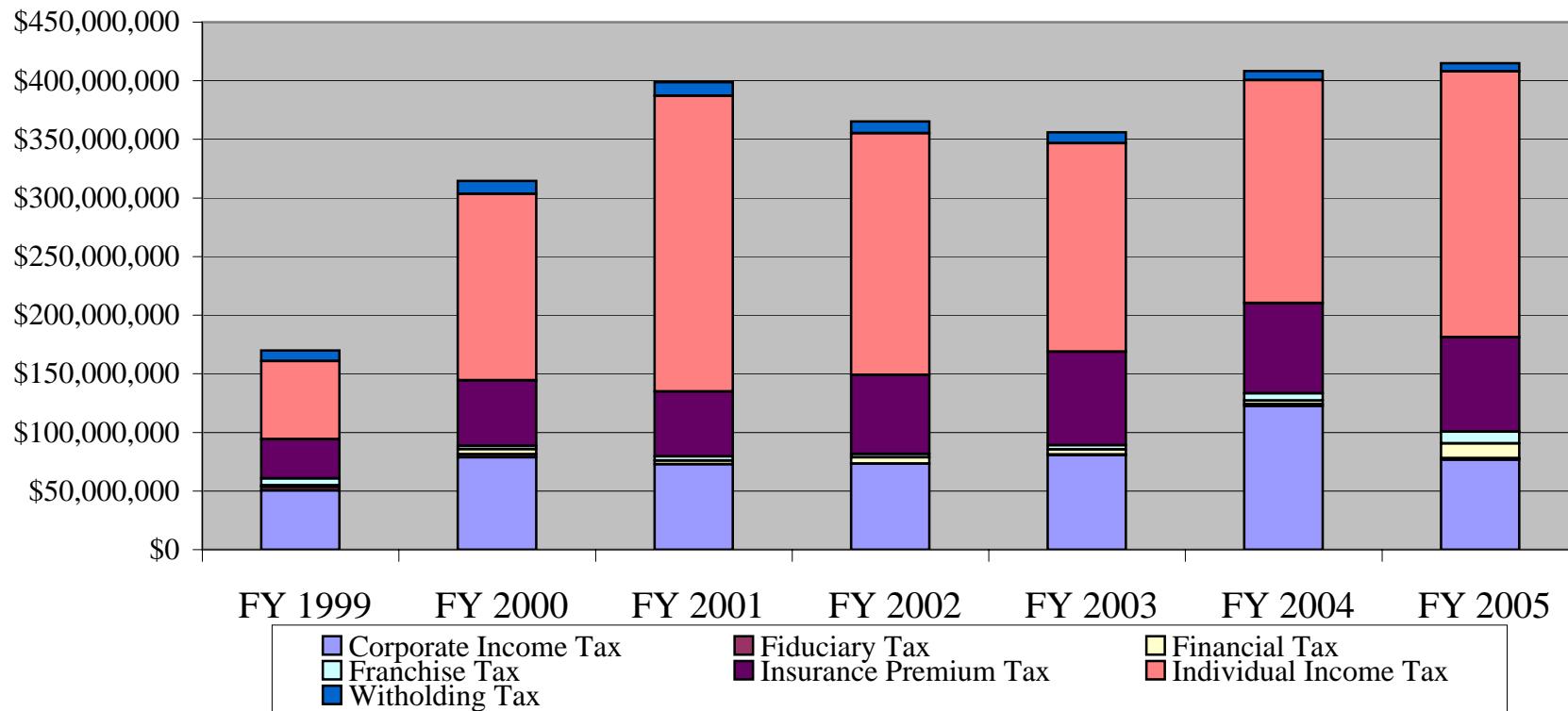
Charcoal Producers Credit (135.313 RSMo)
Historic Preservation Credit (253.545 RSMo)
Maternity Home Credit (135.600 RSMo)
Shelters for Victims of Domestic Violence Credit (135.550 RSMo)
Sponsorship and Mentoring Credit (135.348 RSMo)
Film Production Credit (620.1039 RSMo)
Grape Grower/Wine Producer Credit (135.700 RSMo)
MOSTARS Higher Education Savings Program Credit (173.775-796 RSMo)
Rebuilding Communities Credit (135.535 RSMo)
Missouri Individual Training Account Program Credit (620.1400-1460 RSMo)
Transportation Development Credit (135.545 RSMo) - *repealed*
Agricultural Product Utilization Contributor Credit (348.414 RSMo)
Family Development Creation Credit (620.1560 RSMo)
New Enterprise Creation Credit (620.635-653 RSMo)
New Generation Cooperative Incentive Credit (348.414 RSMo)
Pharmaceutical Income Tax Credit (135.095 RSMo) – *repealed*
Shared Care Tax Credit (660.053-055 RSMo)
ADA Compliance Tax Credit (135.490 RSMo)
Mature Worker Child Care Credit (620.1560 RSMo)
Strategic Initiative Investment Income Tax Refund Credit (135.270 RSMo)
Rebuilding Communities and Neighborhood Preservation Act Credit (135.535 RSMo)

Through the addition and/or expansion of tax credit programs, the amount of tax credits redeemed has grown significantly over the past several years. According to information provided by the Department of Revenue:

- Tax credits cost to the State Treasury for FY 2005 (\$415 million) increased from FY 2004 (\$408 million).
- Tax credits cost to the State Treasury has grown from \$170 million in FY 1999 to \$415 million in FY 2005 an increase of 144%.
- In the past seven fiscal years (1999-2005), tax credits have cost the State Treasury \$2.427 billion.

The following table provides further detail on Missouri's tax credit costs to the State Treasury from FY 1999 through FY 2005.

Tax Credit Impact on Treasury



	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Corporate Income Tax	\$50,371,262	\$78,737,967	\$72,860,912	\$73,271,172	\$80,484,555	\$122,546,225	\$76,625,132
Fiduciary Tax	\$3,250,078	\$2,704,322	\$54,013	\$188,234	\$644,933	\$1,425,487	\$1,461,890
Financial Tax	\$1,337,567	\$4,253,056	\$3,038,924	\$5,287,706	\$4,406,851	\$3,244,932	\$12,577,271
Franchise Tax	\$5,855,690	\$2,952,422	\$3,652,981	\$2,899,711	\$3,657,601	\$6,010,883	\$9,998,466
Insurance Premium Tax	\$33,495,325	\$55,750,267	\$55,403,401	\$67,521,748	\$79,613,541	\$77,081,548	\$80,497,660
Individual Income Tax	\$66,535,273	\$159,242,242	\$252,134,676	\$206,172,658	\$178,008,175	\$190,265,386	\$226,898,202
Withholding Tax	\$9,190,424	\$10,888,919	\$11,542,521	\$9,864,792	\$9,139,913	\$7,696,571	\$6,847,304
Totals	\$170,035,619	\$314,529,195	\$398,687,428	\$365,206,021	\$355,955,569	\$408,271,030	\$414,905,925

TAX CREDIT ANALYSIS - Redeemed Tax Credits w/ Department of Revenue & Insurance
Fiscal Impact to Treasury for Month Ending June 30, 2005

	Year-to-Date		Fiscal Year Comparison						
	FY 2004	FY 2005	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Tax Credits Redeemed by Tax Category									
Corporate Income Tax	122,546,225	76,625,132	50,371,262	78,737,967	72,860,912	73,271,172	80,484,555	122,546,225	76,625,132
Fiduciary Tax	1,425,487	1,461,890	3,250,078	2,704,322	54,013	188,234	644,933	1,425,487	1,461,890
Financial Tax	3,244,932	12,577,271	1,337,567	4,253,056	3,038,924	5,287,706	4,406,851	3,244,932	12,577,271
Franchise Tax	6,010,883	9,998,466	5,855,690	2,952,422	3,652,981	2,899,711	3,657,601	6,010,883	9,998,466
Insurance Premiums Tax	77,081,548	80,497,660	33,495,325	55,750,267	55,403,401	67,521,748	79,613,541	77,081,548	80,497,660
Individual Income Tax	190,265,386	226,898,202	66,535,273	159,242,242	252,134,676	206,172,658	178,008,175	190,265,386	226,898,202
Withholding Tax	7,696,571	6,847,304	9,190,424	10,888,919	11,542,521	9,864,792	9,139,913	7,696,571	6,847,304
	408,271,030	414,905,925	170,035,619	314,529,195	398,687,428	365,206,021	355,955,569	408,271,030	414,905,925
Tax Credits Redeemed by Major Tax Credit									
Senior Citizen Circuit Breaker	95,237,314	99,101,427	52,351,205	56,623,024	101,523,060	85,901,461	97,180,378	95,237,314	99,101,427
Pharmaceutical Tax Credit	524,527	496,516	-	64,769,057	75,816,984	63,686,262	3,737,102	524,527	496,516
Historic Preservation	61,584,966	74,532,355	2,554,408	8,769,292	33,971,984	32,810,273	40,505,696	61,584,966	74,532,355
Increases/Decreases - FY 2004 to FY 2005									
			FY 2004	FY 2004	% Inc/Dec				
Historic Preservation (Individual, Corporate & Other)			61,584,966	74,532,355	21.02%				
Senior Citizen Circuit Breaker (Individual)			95,237,314	99,101,427	4.06%				
Pharmaceutical Tax Credit (Individual)			524,527	496,516	-5.34%				
Certified Capital Co. (CAPCO) - (Corporate/Insurance)			13,664,607	13,371,610	-2.14%				
Qualified Research Expense (Individual, Corporate & Other)			1,946,939	1,626,864	-16.44%				
Rebuilding Communities (Individual, Corporate & Other)			1,387,347	1,694,006	22.10%				
Low Income Housing (Individual, Corporate & Other)			33,196,754	65,392,601	96.98%				
Remediation Tax Credit (Individual, Corporate & Other)			16,101,975	10,627,870	-34.00%				

Notes:

Enterprise Zone income adjustment credits are estimated at 6% of the amount issued to determine cost to the treasury.

GAMING & GAMING COMMISSION REVENUE

Senate Bill 10 & 11 (86th General Assembly, 1st Regular Session, 1994) created the Missouri Gaming Commission, which became responsible for the licensing and regulation of excursion gambling boats throughout the state. After June 30, 1994, this act also provided for the transfer of responsibilities of licensing and regulation of bingo activities to the Gaming Commission.

Revenues generated from the gaming industry provide for the operation of the Missouri Gaming Commission (§ 313.835 RSMo), as well as providing a portion of the funding for education throughout the state (§ 313.835 RSMo; Article IV, Section 15, Missouri Constitution). The following information outlines how gaming revenues are divided between the State Education Fund and the Gaming Commission.

Gaming Revenue in Missouri

The following summarizes how the funding mechanism allocates dollars to both the operation of the Gaming Commission and to the State Education Fund.

- There is a \$2 boarding fee, paid either by the gambler or the casino, \$1 of which supports the operation of the Gaming Commission, with the other \$1 going to the local government.
- 80% of the gamblers' losses goes to the boat, while 2% goes to the local government. The remaining 18% (Gaming Tax) is allocated to the State Education Fund.

Contribution of Gaming Proceeds (18% tax) to Education

	FY 2004	FY 2005	FY 2006 (estimated)
Gaming Revenue	\$1,404,576,376	\$1,509,325,405	\$1,568,189,096
Gaming Proceeds to Education	\$252,824,945	\$271,678,573	\$282,274,037

Appropriations of Gaming Commission Fund Revenues (\$1 boarding fee) **

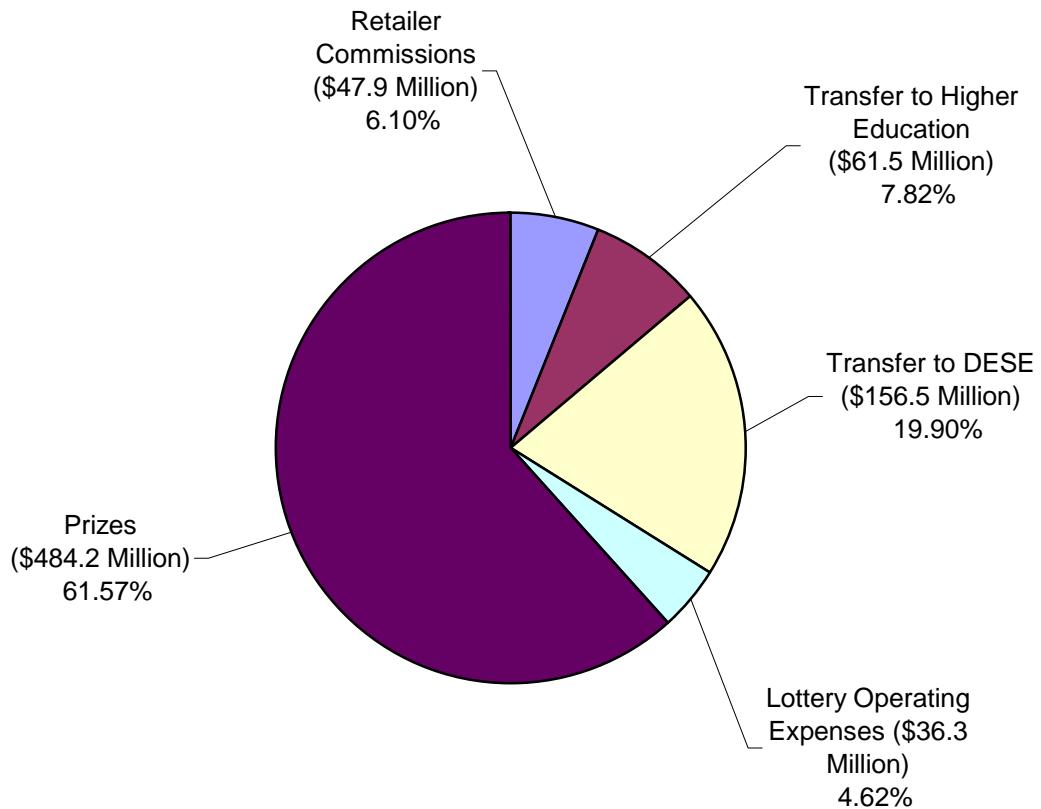
	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
Juvenile Court Diversion	\$500,000	\$500,000	\$500,000
Veterans Commission CI Trust Fund	\$3,000,000	\$3,000,000	\$6,000,000
MO National Guard Trust	\$3,000,000	\$3,000,000	\$4,000,000
MO College Guarantee	\$4,500,000	\$5,000,000	\$5,000,000
Early Childhood	\$21,831,154	\$21,831,154	\$30,320,000
Compulsive Gambling	\$489,850	\$489,850	\$489,850
Administrative Expenses	<u>\$17,311,082</u>	<u>\$17,742,347</u>	<u>\$18,380,110</u>
TOTAL	\$50,632,086	\$51,563,351	\$64,689,960

NOTE: The amounts listed above for the Veterans Commission Capital Improvements Trust Fund, National Guard Trust, MO College Guarantee are transferred amounts from HB 8. The remaining items; Juvenile Court Diversion (HB 11), Early Childhood (HB 2), Compulsive Gambling (HB 10), and Administrative Expenses (HB 8) are appropriated dollar amounts.

FY 2006 Lottery Sales Estimate

The Missouri State Lottery was created by voter approval of Constitutional Amendment No. 5 on November 6, 1984. Section 39(b) of Article III of the Missouri Constitution requires that a minimum of 45% of money received from the sale of Missouri state lottery tickets shall be awarded as prizes. The Constitution was further amended on August 4, 1992 to dedicate net lottery proceeds solely to public institutions of elementary, secondary, and higher education.

**FY 2006 Lottery Sales Estimate:
\$786 Million**



TOBACCO SETTLEMENT PROCEEDS

In 1997, the state of Missouri sued 18 tobacco companies on the basis of violations of the Missouri Merchandising Act and antitrust laws, as well as for reimbursement for health care costs and a variety of other claims. In November 1998, Missouri entered into the Master Settlement Agreement ("MSA") in resolution of the litigation in the Circuit Court of the City of St. Louis. Missouri agreed to dismiss all claims in exchange for a series of monetary payments, continued for at least 25 years, and non-monetary benefits, such as a prohibition against certain tobacco advertising. The court approved the settlement on March 5, 1999. Several parties, including public hospitals and other political subdivisions of the state, appealed the MSA and the denial of motions to intervene in the case at the trial level. The Missouri Court of Appeals, Eastern District, upheld the decision of the trial court to approve the settlement, and the Missouri Supreme Court accepted the transfer of the appeal. The Missouri Supreme Court issued its opinion approving the settlement on December 12, 2000.

Settlement Proceeds

The MSA provides that tobacco companies will make payments into an escrow account from which moneys will be disbursed to the state. Missouri's share is estimated at \$4.5 billion over 25 years. This estimate includes adjustments, reductions and offsets, which are calculated on a yearly basis. A schedule of payments and the estimated revenues is shown below.

<u>Fiscal Year</u>	<u>Amount (in millions of dollars)</u>
FY 2001	\$ 338.2 (actual)
FY 2002	\$ 172.7 (actual)
FY 2003	\$ 166.9 (actual)
FY 2004	\$ 143.1 (actual)
FY 2005	\$ 144.9 (actual)
FY 2006	\$ 146.3
FY 2007	\$ 147.7
FY 2008	\$ 164.7
FY 2009	\$ 166.4
FY 2010-2025	<u>\$2,954.0</u>
Total	\$4,544.9

Executive Order

The Governor issued an Executive Order (01-05) on February 12, 2001, creating a Healthy Families Trust Fund within the state treasury. The Executive Order created five accounts within the Fund: Early Childhood Care and Education Account; Life Sciences Research Account; Tobacco Prevention, Education and Cessation Account; Health Care Treatment and Access Account; and Senior Catastrophic Prescription Drug Account. The Executive Order did not appropriate any funds or dictate any percentages for funding allocations to any account. It directed the Office of Administration to receive and expend tobacco settlement money in accordance with the budget submitted to the General Assembly as amended and truly agreed to and finally passed bills signed by the Governor.

FY 2002 Expenditures

Due to budget shortfalls that occurred during Fiscal Year 2002, much of the tobacco settlement monies were withheld from the programs they were appropriated for and subsequently transferred to General Revenue. Final expenditures amounts are as follows:

Health Care	\$ 79.2 million
Early Childhood	\$ 9.7 million
Life Sciences	\$.4 million
Tobacco Prevention	\$.7 million
Prescription Drugs	\$ 63.2 million
Endowment Fund	\$ 0
Cost Allocation Plan	\$ 2.5 million
Transfer to GR	<u>\$ 228.3 million</u>
Total	\$ 384.0 million

FY 2003 Expenditures

The following expenditure amounts are for Fiscal Year 2003:

Health Care	\$ 53.8 million
Early Childhood	\$ 0
Life Sciences	\$ 0
Tobacco Prevention	\$.4 million
Prescription Drugs	\$ 20.4 million
Cost Allocation Plan	\$ 2.5 million
Transfer to GR	<u>\$ 89.4 million</u>
Total	\$ 166.5 million

FY 2004 Expenditures

The following expenditure amounts are for Fiscal Year 2004:

Health Care	\$ 54.3 million
Tobacco Prevention	\$.4 million
Prescription Drugs	\$ 16.9 million
Cost Allocation Plan	\$ 2 million
Transfer to GR	<u>\$ 70.7 million</u>
Total	\$ 144.3 million

FY 2005 Expenditures

The following expenditure amounts are for Fiscal Year 2005:

Health Care	\$ 53.5 million
Tobacco Prevention	\$.4 million
Prescription Drugs	\$ 16.8 million
Cost Allocation Plan	\$ 2.3 million
Transfer to GR	<u>\$ 72.1 million</u>
Total	\$ 145.1 million

FY 2006 Appropriation

The following appropriation amounts are for Fiscal Year 2006:

Health Care	\$ 53.5 million
Tobacco Prevention	\$.4 million
Prescription Drugs	\$ 13.8 million
Cost Allocation Plan	\$ 2.1 million
Transfer to GR	\$ 84.0 million
Treasurer transfer	<u>\$.04 million</u>
Total	\$154.0 million

Section IV

LEGISLATION

ESTIMATED FISCAL IMPACT OF LEGISLATION FOR FY 2006 – FY 2008

Ninety-three Senate Bills, eighty-six House Bills, six Senate Concurrent Resolutions, and seven House Concurrent Resolutions were “Truly Agreed To and Finally Passed” during the 93rd General Assembly, 1st Regular Session, (2005). The Governor vetoed two House Bills.

Presented on the following pages is a summary of the estimated fiscal impact over the next three years (2006-2008) of the legislation signed by the Governor. Numbers shown in parenthesis, such as (100,000), represent a new cost to the respective fund. Positive numbers, such as 100,000, indicate a savings to the respective fund. This listing will also reflect the bills that were vetoed by the Governor (bill #'s shown in red).

The information given on the following pages is based on information taken from the fiscal notes prepared for each bill by the Oversight Division, Committee on Legislative Research. Numbers do not include the appropriation bills. When the fiscal impact of a bill included a range, the higher figure for costs and losses, and the lower figure for income were used in calculating the fiscal impact. Actual costs may be higher or lower, depending on the actual appropriations. The totals listed for House and Senate bills do not include the unknown figures.

Detailed information on individual bills, including the fiscal note, can be obtained by contacting the Senate Appropriations Staff or accessing the Senate web page at www.senate.mo.gov and the House web page at www.house.mo.gov.

Bill No.	Other State Funds	General Revenue Funds			Other State Funds			Federal Funds			Local Funds		
		2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008
SB 1		More than \$115,000	More than \$121,450	More than \$128,094				\$0	\$0	\$0	Unknown	Unknown	Unknown
	Workers' Comp Fund				\$592,545	\$578,374	\$575,690						
	Second Injury Fund				Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)						
	Highway				More than \$100,000	More than \$100,000	More than \$100,000						
SB 10 & 27		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$248,276)	(\$248,276)	(\$248,276)
SB 21	Putative Father Registry	(\$427,015)	(\$426,221)	(\$425,403)	\$97,015	\$96,221	\$95,403	\$0	\$0	\$0	\$0	\$0	\$0
SB 24		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 37		(More than \$100,000)	(More than \$100,000)	(More than \$100,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 38		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Unknown	(Unknown)	(Unknown)
SB 68		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 69		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 71		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 73		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 74 & 49		(\$97,797 to Unknown)	(\$101,765 to Unknown)	(\$103,370 to Unknown)				\$0	\$0	\$0	\$0	\$0	\$0
	Insurance Dedicated				\$0 - \$8,000	\$0	\$0						
	MO Public Health Services				\$41,000 to Unknown	\$41,000 to Unknown	\$41,000 to Unknown						
SB 95		\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0	\$0
	MO Lead Abatement				\$2,500	\$2,500	\$2,500						
	Childhood Lead Testing				Unknown	Unknown	Unknown						
SB 98		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 100		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 103 & 115		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 122		Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	\$0	\$0	\$0	\$0	\$0	\$0
SB 131		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 133		Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	\$0	\$0	\$0	\$0	\$0	\$0
SB 149		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 155		(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 156		\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0	\$0
SB 168					\$0	\$0	\$0						
SB 170	Dry Cleaning Environmental Response Trust	\$0	\$0	\$0	(\$87,600)	(\$87,600)	(\$87,600)	\$0	\$0	\$0	\$0	\$0	\$0
SB 174		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 176		\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0	\$0	\$0	\$0	\$0	\$0	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
SB 177	State Legal Expense	(\$272,080) to \$227,920	(\$165,160) to \$334,840	(\$172,858) to \$327,142	(Unknown)	(Unknown)	(Unknown)	\$356,903	\$421,988	\$432,976	(More than \$600,000)	(More than \$550,000)	(More than \$550,000)
SB 178		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 179		(\$71,757)	(\$35,801)	(\$36,571)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 182		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 189	Medicaid Health Benefit Plan Reimbursement Allowance	\$0	\$0	\$0				\$0	\$0	\$0	\$0	\$0	\$0
SB 196		(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)	\$0	\$0	\$0	(Unknown)	(Unknown)	(Unknown)
SB 202, 33, 45, 183, & 217	Workers' Comp Fund	\$6,060	\$6,060	\$6,060	\$12,879	\$12,879	\$24,962	\$0	\$0	\$0	\$0	\$0	\$0

Bill No.	Other State Funds	General Revenue Funds			Other State Funds			Federal Funds			Local Funds		
		2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008
SB 210		\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0	\$0	\$0	\$0	\$0	\$0	(\$396,000 to Unknown)	(Unknown) to Unknown	(Unknown) to Unknown
SB 211		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 216		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 225		(\$2,334,760)	(\$503,500)	(\$35,870) to Unknown				\$0	\$0	\$0	\$0	\$0	\$0
	Hazardous Waste				(\$138,168) to Unknown	(\$1,268,968) to Unknown	(\$1,268,968) to Unknown						
	Hazardous Waste Remedial				(\$1,300,000) to Unknown		\$0						
	Enviromnt Response Trust				(\$87,600)	(\$87,600)	(\$87,600)						
SB 233	Road Fund	\$0	\$0	\$0	Up to \$100,000	Up to \$100,000	Up to \$100,000	\$0	\$0	\$0	\$0	\$0	\$0
SB 237		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 238		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 246		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 252		(\$11,400 to Unknown)	(\$11,742 to Unknown)	(\$12,094 to Unknown)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 254		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 258		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 259		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 261		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 262		\$2,208	\$2,600	\$2,600	\$0	\$0	\$0	\$0	\$0	\$0	\$5,417	\$6,500	\$6,500
SB 266		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 267		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 270	Various State Funds	\$979,934	\$979,934	\$979,934	(\$979,934)	(\$979,934)	(\$979,934)	\$0	\$0	\$0	\$0	\$0	\$0
SB 272		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$0 to (Unknown))
SB 274		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 279		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 280		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 287		\$0	(\$122,135,000 to Unknown)	(\$235,100,000 to Unknown)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$122,000,000	\$235,000,000
SB 288		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 289		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 298		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 299		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 302		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 306		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 307		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 318		\$68,751	\$102,020	\$104,571	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 320		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 323	Life Sciences Research	\$0	\$0	\$0	\$0	(Unknown)	(Unknown)	\$0	\$0	\$0	\$0	\$0	\$0
SB 343		\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0	\$0	\$0	\$0	\$0	\$0	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
SB 346		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 347		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 355		\$0 to (\$1,042,314)	\$0 to (\$1,084,007)	\$0 to (\$7,177,367)	\$1,336,733	\$1,648,516	\$1,697,971	\$0	\$0	\$0	\$0	\$0	\$0
	Grape & Wine Fund												
	Marketing Development				(\$1,336,733)	(\$1,648,516)	(\$1,697,971)						
SB 367		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 372		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 378		Up to (\$10,000)	Up to (\$10,000)	Up to (\$10,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 394		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Bill No.	Other State Funds	General Revenue Funds			Other State Funds			Federal Funds			Local Funds		
		2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008
SB 396		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 401		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(Unknown)	(Unknown)
SB 402	Highway	(Could exceed \$104,667)	(Could exceed \$105,600)	(Could exceed \$105,600)	\$84,825	\$101,790	\$101,790	\$0	\$0	\$0	\$28,275 to (Unknown)	\$33,930 to (Unknown)	\$33,930 to (Unknown)
SB 407		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 420 & 344	Legal Expense	(Less than \$316,667)	(\$564,387 to Unknown)	(\$1,009,993 to Unknown)	\$2,083,333	\$2,500,000	\$2,500,000	\$0	\$0	\$0	(\$25,000 to Unknown)	(\$30,000 to Unknown)	(\$30,000 to Unknown)
SB 422		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 423		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 431		\$0 to Unknown	\$0 to Unknown	\$0 to Unknown	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 450		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 453		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 462	State Public School	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)	\$0	\$0	\$0	Unknown	Unknown	Unknown
SB 480		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 488		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 490		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 500	Insurance Dedicated	(\$1,950,000 to Unknown)	(\$1,550,000 to Unknown)	\$0	\$0 to (\$50,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 501		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 507		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 516		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 518		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 521		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 539	MO RX Plan	\$180,547,625	\$130,355,184	\$101,760,670	\$29,205,382	\$109,058,507	\$109,033,532	\$0	\$0	\$0	\$0	\$0	\$0
	MO Senior RX				(\$13,494,520)	(\$27,468,578)	(\$27,455,100)						
TOTALS*		\$175,153,201	\$4,839,225	(\$141,234,339)	\$45,931,657	\$82,598,591	\$82,595,675	\$356,903	\$421,988	\$432,976	(\$1,263,859)	\$121,178,224	\$234,178,224

* Totals do not include unknown figures.

When fiscal note included a range, the higher figure for costs and/or losses, and the lower figure for income was used in calculating the fiscal impact.

General Revenue Fund				Other State Funds			Federal Funds			Local Funds			
Bill No.	Fund	2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008
HB 33		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 40		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 43		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 47		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 56		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 58	MO Veterans Commission Capital Improvement Trust	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)	Unknown	\$0	\$0	\$0	\$0	\$0	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
	State Legal Expense												
HB 64	Various State Funds	(\$19,750) or (\$0 or (Unknown))	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0	\$0	\$0	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
HB 69		\$0	\$0	\$0									
HB 114		\$151,500	\$306,030	\$309,090	\$0	\$0	\$0	\$0	\$0	\$0	\$14,998,500	\$30,296,970	\$30,599,940
HB 116		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 119		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 127		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 155		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 163,213,& 216		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 174		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 186	Various State Funds	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)	(Unknown)	(Unknown)	(Unknown)	\$0	\$0	\$0	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
HB 209		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Unknown to (Unknown)	Unknown to (Unknown)
HB 215		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 219		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 229		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 232		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 236		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 243		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 248		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 258		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 260		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 261		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 276		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 280		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 297		Less than (\$100,000)	Less than (\$100,000)	Less than (\$100,000)	\$0	\$0	\$0	\$0	\$0	\$0	Less than (\$100,000)	Less than (\$100,000)	Less than (\$100,000)
HB 323		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 342		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 345		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 348		(\$11,400)	(\$11,742)	(\$12,094)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 353		(More than \$116,964) to Unknown	(More than \$100,000) to Unknown	(More than \$100,000) to Unknown	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 365		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 379		\$68,751	\$102,020	\$104,571	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 388		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 393	Road Conservation	\$0	\$0	\$0	More than \$1,000,000	More than \$1,000,000	More than \$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0
	Tort Victim's Comp				Unknown	Unknown	Unknown						
					(Unknown)	(Unknown)	(Unknown)						
HB 395		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 402		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 413		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 422		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 431		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Bill No.	Fund	General Revenue Fund			Other State Funds			Federal Funds			Local Funds		
		2006	2007	2008	2006	2007	2008	2006	2007	2008	2006	2007	2008
HB 437		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 441		(Unknown less than \$100,000)	(Unknown less than \$100,000)	(Unknown less than \$100,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 443		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 445		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 448		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)
HB 453		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 455		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 461		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 462 & 463		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 479		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 486		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 487		Up to \$40,169	Up to \$48,478	Up to \$48,478	\$0	\$0	\$0	\$0	\$0	\$0	(Unknown)	(Unknown)	(Unknown)
HB 500 & 533	Special Employment Security	\$0	\$0	\$0	Unknown	Unknown	Unknown	\$0	\$0	\$0	\$0	\$0	\$0
	Unemployment Compensation Trust				Unknown	Unknown	Unknown						
HB 513		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 515		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 524 (Veto)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 525 (Veto)		\$10,000	\$10,000	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 530		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 531		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 563		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 567		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 568		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 576	Various State Funds	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)	(Unknown)	\$0	\$0	\$0	\$0	\$0	\$0
HB 577		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 596		Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
HB 600		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 617		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 618	Highway	\$0	\$0	\$0	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0	\$0	\$0	\$0	\$0	\$0
HB 630		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 631		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 638		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 678		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 681		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 685		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 688		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 700		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 707		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 738		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 743		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 824		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 866		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HB 972		(More than \$100,000)	(More than \$100,000)	(More than \$100,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTALS*		\$18,851	\$206,308	\$211,567	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$0	\$0	\$12,398,500	\$27,696,970	\$27,999,940

* Totals do not include unknown figures.

When fiscal note included a range, the higher figure for costs and/or losses, and the lower figure for income was used in calculating the fiscal impact.

SB 287 (2005) – THE NEW FOUNDATION FORMULA

The new foundation formula is a student-focused, successful-school model based on characteristics of those districts meeting all performance standards reflected in the Annual Performance Report (“performance districts”). Based on those districts, it establishes a “state adequacy target” (\$6,117 for FY 2007) to ensure that all districts with a tax levy of at least the performance levy (\$3.43) have that amount of money behind each student. The state adequacy target will be recalculated every two years using the most current list of performance districts.

- Formula payments are calculated on a per-student basis. The formula also provides additional funding through student weighting for districts whose percentage of free or reduced lunch, special education, or English proficiency students exceed the respective percentages in the performance districts. The new formula does not provide additional weight for summer school attendance.
- The state adequacy target includes expenditures from the following categories of state funding. Thus these items will no longer be funded separately:
 - Line 14 of current formula (“At-risk” programs)
 - Exceptional pupil aid (Special Education categorical)
 - Gifted education (Gifted categorical)
 - Remedial Reading categorical
 - Fair Share fund
 - Free Textbook fund
- The local revenue deduction utilized in the formula is calculated by taking \$3.43 times the 2004 assessed valuation in the school district, regardless of the district’s actual levy. The \$3.43 amount is called the performance levy. The district's local effort deduction is frozen so that growth in local collections will be retained by the district without offsetting state aid payments.
- A dollar value modifier (DVM) is used to recognize increased operating costs in some districts, primarily in metropolitan regions.
- The formula is phased-in over seven years beginning in FY 2007.
- Districts are guaranteed to receive a minimum state funding amount per student - the amount received per student in FY 2006. This amount will be adjusted upward for districts with a DVM greater than 1.0.

- A “Small Schools Fund” is established to distribute an additional \$15 million annually among districts with 350 students (average daily attendance) or less. Ten million of this is to be distributed strictly on a per-ADA, with the other five million being distributed on a weighted basis to those small districts with levies greater than the \$3.43 performance levy.
- Revenues from gaming will be accounted for separately through the Classroom Trust Fund, also established by the act. Districts are given nearly unlimited flexibility in using these funds.
- The act creates option districts, which may forgo state aid in return for regulatory relief.
- SB 287 also increases the statutory minimum teacher’s salary to \$22,000 in 2006-07, increasing to \$25,000 in 2009-10. The minimum for a master’s degree teacher with 10 years experience is \$30,000 in 2006-07 and \$33,000 by 2009-10.

SB 539 – REVISES VARIOUS HEATLH CARE PROGRAMS, INCLUDING MEDICAID

SS/SB 539 - This act modifies certain provisions dealing with various health care and social services programs, including Medicaid, the Missouri Senior RX, and personal care assistance programs.

MEDICAID

This act requires an institutionalized spouse applying for Medicaid and who has a spouse living in the community to divert income to the community spouse to raise the community spouse's income to the level of the minimum monthly needs allowance. This diversion of income shall occur before the community spouse is allowed to retain assets. (Section 208.010) – FY 2006 ESTIMATED SAVINGS \$4.0M (\$1.5M GR)

This act eliminates the medical assistance for the working disabled (MAWD) and general relief medical assistance programs. (Section 208.146 & 208.162) – FY 2006 ESTIMATED SAVINGS \$124.4M (\$49M GR)

This act also provides that annual income eligibility and verification reviews are to be conducted for Medicaid recipients. The Family Support Division shall annually send a re-verification form letter to the recipient requiring the recipient to respond within ten days and to provide income verification documents or case will be closed. (Section 208.147) – FY 2006 ESTIMATED SAVINGS \$29.1M (\$11.0M GR)

This act reduces the income levels to the SSI limits for the elderly and disabled when determining Medicaid eligibility while allowing the General Assembly to set a higher eligibility standard through the appropriation process. (Section 208.151) – FY 2006 ESTIMATED SAVINGS \$67.4M (\$22.1M GR) Note: the FY 2006 estimated savings are based on the TAFP budget, which lowered the income eligibility limit to 85% of FPL.

This act also eliminates from statute some optional services including dental, podiatry, and other rehab/specialty services. This act would not preclude the General Assembly from providing these services through the appropriation process. The bill does maintain these services for children, pregnant women and blind persons. (Section 208.152) – FY 2006 ESTIMATED SAVINGS \$66.6M (\$25.5M GR) Note: the FY 2006 estimated savings are based on the TAFP budget, which including the following optional services to be provided in FY 2006: oxygen & respiratory equipment, manual & power wheelchairs, ostomy supplies, ambulance, diabetic supplies & equipment, hospice, prosthetics, and one eye exam every 2 yrs per recipient.

Subject to federal law, the department must promulgate rules that require recipients of medical assistance to participate in cost-sharing activities for all covered services, except for those services covered by personal care, mental health, and health care for uninsured children programs. The cost-sharing provision will also not apply to other qualified children, pregnant women, or blind persons. In addition, the act provides that a health care provider may not refuse to provide a service if a recipient is unable to pay a required fee. However, upon approval from the department, a provider may terminate future services to an individual with an unclaimed debt, so long as it is the provider's routine business practice to do so and the provider gives advance notice to the individual and reasonable opportunity for payment. (Section 208.152) – FY 2006 ESTIMATED SAVINGS \$22.9M (\$8.8M GR)

This act also provides that for purposes of Medicaid eligibility, investment in annuities shall be limited only to those annuities that are actuarially sound (Section 208.212). The department shall establish a sixty-month look-back period to review any investment in an annuity by an applicant for Medicaid benefits.

This act also provides that the department shall have the right to enforce federal Tax Equity and Fiscal Responsibility Act (TEFRA) liens on the property of permanently institutionalized individuals, which include those people who the department determines, cannot reasonably be expected to be discharged and return home. (Section 208.215)

This act lowers the income level for parents of uninsured children in the Children's Health Insurance Program (CHIP) that are required to pay a premium from two hundred and twenty-six percent of the federal poverty level to one hundred and fifty-one percent of the federal poverty level. (Section 208.640)

NURSING HOME FACILITIES

This act removes language specifying certain cost reports for future rebasing that were to be effective starting July 1, 2005, and then successively on July 1, 2006, and July 1, 2007.

THE MISSOURI RX PLAN

The Missouri RX plan may select one or more prescription drug plans as the preferred plan for purposes of the coordination of benefits between the program and the Medicare Part D drug benefit (Section 208.782). The department shall give initial enrollment priority to the Medicaid dual eligible population, which are those individuals who are eligible for Medicare and Medicaid. The successive enrollment priority shall be Medicare eligible participants with an annual household income at or below one hundred and fifty percent of the federal poverty guidelines. (Section 208.784)

The program is a payor of last resort, and is meant to cover costs for participants who are not covered by the Medicare part D program. Ineligible persons include those who are qualified for coverage of payments for prescriptions drugs under a public assistance program, other than from the Medicare Modernization Act benefits, and if the persons are not considered dual eligible. Also, persons who are qualified for full coverage under another plan of assistance or insurance are ineligible. (Section 208.788)

This act also creates the Missouri RX Plan Advisory Commission, which shall be charged with advising the benefit design and operational policy of the program. (Section 208.792)

Persons eligible for services under the current Missouri Senior RX program on December 13, 2005 shall be eligible for those services until January 1, 2006. (Section 208.786)

The provisions of the current Missouri Senior Rx plan will expire following notice to the revisor of statutes by the Missouri Senior RX program advisory commission that the Medicare Modernization Act of 2003 has been fully implemented. (Section 208.798)

MEDICAID REFORM COMMISSION

This act establishes the "Medicaid Reform Commission" to study and review the current Medicaid program and make recommendations to the General Assembly by January 1, 2006 on reforming, redesigning and restructuring a new innovative healthcare delivery state Medicaid system to replace the current state Medicaid system, which will sunset on June 30, 2008. The commission will consist of ten members, five from the House and five from the Senate. Additionally, the directors of the Departments of Social Services, Health and Senior Services, and Mental Health shall serve as ex-officio members of the commission. (Section 208.014)

ADOPTION SUBSIDY

The sections dealing with adoption subsidy rates now provide that the subsidy shall only be granted to children who reside in a household with an income that does not exceed two hundred percent of the federal poverty level or are eligible for Title IV-E adoption assistance. (Section 453.073) – FY 2006 ESTIMATED SAVINGS \$12.5M GR

PERSONAL CARE ASSISTANCE PROGRAM

This act moves the personal care assistance program for disabled persons from the Department of Elementary and Secondary Education to the Department of Health and Senior Services. (Section 660.661)

The department shall provide financial assistance to physically disabled persons for personal care assistance services through eligible vendors. The act prescribes requirements for eligibility and annual eligibility review. (Sections 660.664 and 660.667). Upon determination of eligibility, the department shall develop a personal care assistance services plan. (Section 660.667)

Consumers receiving personal care assistance shall be responsible for the supervision of the attendant while the vendor shall be responsible for the Medicaid reimbursement process, including filing claims and mailing individual payment directly to the assistant. The services are not authorized if the primary benefit of the services is to the household unit and such household may reasonably be expected to share or do for one another when they live in the same household. Neither shall the services be used to employ a personal care assistant who is listed on any of the background check lists, unless a good cause waiver is first obtained from the department (Section 660.670).

In addition, this act delineates the duties of certain persons to report instances where such person reasonably believes a consumer has been neglected, abused, or where the consumer's property of funds have been misappropriated (Section 660.673 and 660.676). It also details the duties of the department's case manager to investigate instances of abuse. It shall be a Class A misdemeanor if a person who is required to report abuse fails to do so. This act also provides for an employee disqualification list to be maintained by the department for attendants who commit fraudulent acts. (Section 660.676)

SB 343 – JOB DEVELOPMENT PROGRAMS

The major provisions in SB 343 are listed below.

TAX INCREMENT FINANCING

Specifies that at no time can the annual amount approved for disbursement from the Missouri Supplemental Tax Increment Financing (TIF) Fund exceed \$32 million. Formerly, the aggregate appropriation could not exceed \$15 million (Section 99.845, RSMo)

MODESA

The act decreases the annual amount approved for disbursement from the state supplemental downtown development fund from \$150 million to \$108 million (Section 99.960).

BUSINESS USE INCENTIVES FOR LARGE-SCALE DEVELOPMENT PROGRAM (BUILD)

- (1) Authorizes certain development agencies or a corporation, limited liability company, or partnership that is formed on behalf of the development agency to act as an eligible industry for purposes of the Business Use Incentives for Large-Scale Development (BUILD) Program (Section 100.710); and
- (2) Requires that \$950,000 of the \$15 million in tax credits authorized annually for BUILD be reserved for an approved project in the City of Kansas City (Section 100.850).

MISSOURI QUALITY JOBS PROGRAM

- (1) Establishes the Missouri Quality Jobs Program to provide incentives to businesses in return for the new tax revenues and other economic stimulus that will be produced by the new jobs created as a result of the program (Sections 620.1875 - 620.1890);
- (2) Prohibits any qualified company that receives benefits through the program from receiving tax credits or exemptions for the same new jobs at the project facility through new or expanded business facilities, enterprise zones, relocating a business to a distressed community, and rural empowerment zones (Section 620.1881);
- (3) Defines the following four project types (Section 620.1881):
 - (a) Small and expanding business projects which create at least 20 new jobs in two years if located in a rural area or 40 new jobs in two years if located elsewhere. In either case, the business cannot have more than 100 total employees. Qualified companies may retain for three years an amount equal to the withholding taxes from the new jobs if the average wage of the new payroll equals or exceeds the county's average wage. If the average wage of the new payroll is at least 120% of the county's average wage, the amount may be retained for five years;
 - (b) Technology business projects which create at least 10 new jobs within two years. Seventy-five percent of the jobs must be directly involved with the operations of the technology company. Qualified companies may retain for five years an amount equal to a maximum of 5% of the new payroll from the withholding tax of the new jobs if the average wage of the new payroll equals or exceeds the county's average wage. An additional 0.5% of new payroll may be retained if the average wage of the new payroll exceeds 120% of the county's average wage in any year. If the average wage of the new payroll exceeds 140% of the county's average wage in any year, an additional 0.5% may be retained. The Department of Economic Development will issue a refundable tax credit for any difference between the benefit allowed and the withholding tax retained in the event that the withholding tax is not sufficient to provide the entire benefit due to the qualified company. The maximum amount of tax credits that can be issued in a calendar year is \$500,000

and cannot be carried forward but can be sold. A refund will be issued to the qualified company if the credits exceed the company's tax liability;

(c) High-impact projects which create at least 100 new jobs within two years. Qualified companies may retain an amount from the withholding tax of the new jobs equal to 3% of new payroll for a period of five years if the average wage of the new payroll equals or exceeds the county's average wage. A qualified company may retain 3.5% of new payroll if the average wage of the new payroll in any year exceeds 120% of the county's average wage or 4% of the new payroll if the average wage in any year exceeds 140% of the county's average wage. An additional 1% of new payroll may be added if local incentives are between 10% and 24% of the new direct local revenues; 2% of new payroll may be added if the local incentives are between 25% and 49%; or 3% of payroll may be added if the local incentives are 50% or more of the new direct revenue. The department will issue a refundable tax credit for any difference between the benefit allowed and the withholding tax retained in the event that the withholding tax is not sufficient to provide the entire benefit due to the qualified company. The maximum amount of tax credits that can be issued in a calendar year is \$750,000. This amount can be increased to \$1 million if the action is proposed by the department and approved by the Quality Jobs Advisory Task Force. This tax credit cannot be carried forward but can be sold. A refund will be issued to the qualified company if the credits exceed the company's tax liability; and

(d) Job retention projects are those in which the qualified company has employed at least 1,000 full-time, year-round employees during the two years prior to the year in which the application for the program is made. The average wage for these employees must be greater than the county's average wage and the same level of full-time, year-round employees must be retained after the application is made. The qualified company must make a \$70 million investment or a \$30 million investment while maintaining an annual payroll of at least \$70 million. In either case, the investment must be made within two years of making an application for the program. Local taxing entities must provide local incentives of at least 50% of the new local revenues created by the project for 10 years. The tax credit may be up to 50% of the withholding tax generated by the full-time, year-round employees at the project facility for five years. The maximum amount of tax credits that can be issued in a calendar year is \$750,000. This amount can be increased to \$1 million if the action is proposed by the department and approved by the Quality Jobs Advisory Task Force. The total amount of tax credits issued for all projects cannot exceed \$3 million annually, and no tax credits will be issued after August 30, 2007. This tax credit cannot be carried forward but can be sold. A refund will be issued to the qualified company if the credits exceed the Company's tax liability;

(4) Stipulates that the maximum amount of tax credits that can be issued in a calendar year for the entire program is \$12 million. The act reduces the annual amount of tax credits that can be authorized for relocating a business to a distressed community from \$10 million to \$8 million and specifies that the remaining \$2 million must be transferred to the program. There is no limit on the amount of withholding taxes that may be retained by approved companies under the program (Section 620.1881);

(5) Authorizes the department to charge the recipient of any tax credit a fee in an amount of up to 2.5% of the tax credits issued. The fee must be paid when the tax credits are issued; however, no fee will be charged for youth opportunities and violence prevention, the Family Development Account, or neighborhood assistance tax credits (Section 620.1900).

LOCAL OPTION SALES TAX

Any city or county is authorized to levy a sales tax of up to 0.5%, upon voter approval. This tax must be in lieu of the economic development sales tax allowed by Sections 67.1300 and 67.1303. Fund cannot be used for retail development except for the redevelopment of downtowns and historic districts.

ENTERPRISE ZONES – RETAINED BUSINESS FACILITIES TAX CREDIT

The act extends the time for the approval of an essential industry retention project from December 31, 2005 to December 31, 2007 (Section 1).

Section V

**TOPICS
OF
INTEREST**

Missouri Transportation Funding

Ever since Missouri began building roads, every legislature has had to face the issue of how to pay for new roads and to maintain the current ones. Over the years, Missouri has passed various motor fuel taxes and even issued bonds to pay for Missouri's roads. Historically, Missouri has primarily relied upon motor fuel taxes and user fees, such as registration fees and drivers' license fees, to pay for highways. The current funding for transportation is detailed in the paragraphs below and also on the flow chart that follows.

Motor Fuel Tax

The Missouri state fuel tax was originally enacted in 1924. Since then, the fuel tax has risen from 2 cents to 17 cents per gallon by the legislative process and by referendum. In 1987, Missouri voters approved a road and bridge program (Proposition A) that increased the motor fuel tax from 7 to 11 cents per gallon and increased heavy truck registration fees 10 percent. In the 1992 session the General Assembly passed HB 1247 which increased the motor fuel tax by 2 cents in 1992, 1994, and 1996, increasing the total motor fuel tax from 11 cents to 17 cents.

Sales and Use Tax on Motor Vehicles

In 1979, Article IV, Section 30(b) of the Missouri Constitution was amended to add sections 30(b)2 and 30(b)3. Section 30(b)2 provides that one-half of the proceeds from the state sales tax on motor vehicles is to be dedicated for highway and transportation use and distributed as follows: 10% to counties, 15% to cities, 1% to the State Transportation Fund and 74% to the State Road Fund. Section 30(b)3 provides that any increase in state license fees and taxes on motor vehicles is to be distributed as follows: 10% to counties, 15% to cities, and 75% to the State Road Fund. At the time of the adoption of amendment, the general sales tax was 3%; however, the adoption of Proposition C (effective January 1, 1983) increased the general sales tax by 1% to 4%. This increase is viewed as increase in taxes on motor vehicles under Section 30(b)2 and results in a slightly different distribution of the increase. In 2004 Article IV, Section 30(b)2 was amended such that one-half of the proceeds from the state sales tax on motor vehicles is to be dedicated for highway and transportation use and distributed as follows: 10% to counties, 15% to cities, 2% to the State Transportation Fund and 73% to the State Road Fund. Also the remaining one-half of the proceeds from the state sales tax on motor vehicles is deposited in the State Road Bond Fund. This one-half of the proceeds from the state sales tax on motor vehicles is being redirected from general revenue 25% a year starting in fiscal year 2006.

Motor Vehicle License, Driver's License and Other Fees

Annual motor vehicle license fees are based on horsepower in the case of passenger vehicles and on weight and region of operation in the case of trucks. License fees vary from \$18.00 to \$51.00 for passenger vehicles and from \$15.50 (for local trucks 6,000 pounds and under) to \$1,719.50 (for beyond local trucks over 78,000 pounds) for trucks. Driver's license fees range from \$15.00 for a standard license to \$40.00 for a commercial driver's license. Additional revenue is also derived from miscellaneous other fees such as safety inspection decal fees, overweight and overdimension permit fees and truck

regulation fees. Motor vehicle license, driver's license and other similar user fees are deposited in the State Highways and Transportation Department Fund, except that, pursuant to Section 30(b)3 of the Missouri Constitution, any increases in such fees after January 1, 1980, are allocated as follows: (a) 75% to the State Road Fund and (b) 25% to counties and cities.

Cost of Collection

Under Article IV, Section 30(b) of the Missouri Constitution and Section 142.345, RSMo, the actual costs of collecting the motor fuel tax are transferred to the State Highways and Transportation Department Fund for reimbursement by appropriation to the agencies incurring the costs. These costs and the costs of collecting other state revenues from highway users, which consist primarily of compensation and other operating expenses and miscellaneous capital expenses, are appropriated to the Department of Revenue and various state agencies by the General Assembly from the State Highways and Transportation Department Fund. In 2004 Article IV, Section 30(b)2 was amended such that the amount appropriated from this fund was capped at the actual cost of collection but not to exceed 3% of the particular tax or fee collected.

Cost of Administering or Enforcing State Motor Vehicle Laws or Traffic Regulations

In 2004 Article IV, Section 30(b)2 was amended such that the actual cost of the state highway patrol in administering and enforcing any state motor vehicle laws and traffic regulations are paid by appropriation to the Department of Public Safety.

Motor Fuel Tax Refunds

Article IV, Section 30(a) of the Missouri Constitution imposes a tax only on fuel used for propelling highway motor vehicles. Under section 142.806, all undyed motor fuel is presumed to be used on the highways of the state to propel motor vehicles. Section 142.824, however, provides a method for claiming a refund of fuel tax paid on fuel, which is not used for propelling highway motor vehicles. Section 142.345 provides that the amount of the tax collected with respect to fuel not used for highway purposes is to be transferred to the State Highways and Transportation Department Fund to be refunded. Most of the refunds are for refunds under the International Fuel Tax Agreement (IFTA), which compensates states for fuel bought in one state but used in another. An amount is appropriated each fiscal year by the General Assembly to the Department of Revenue for making these refunds.

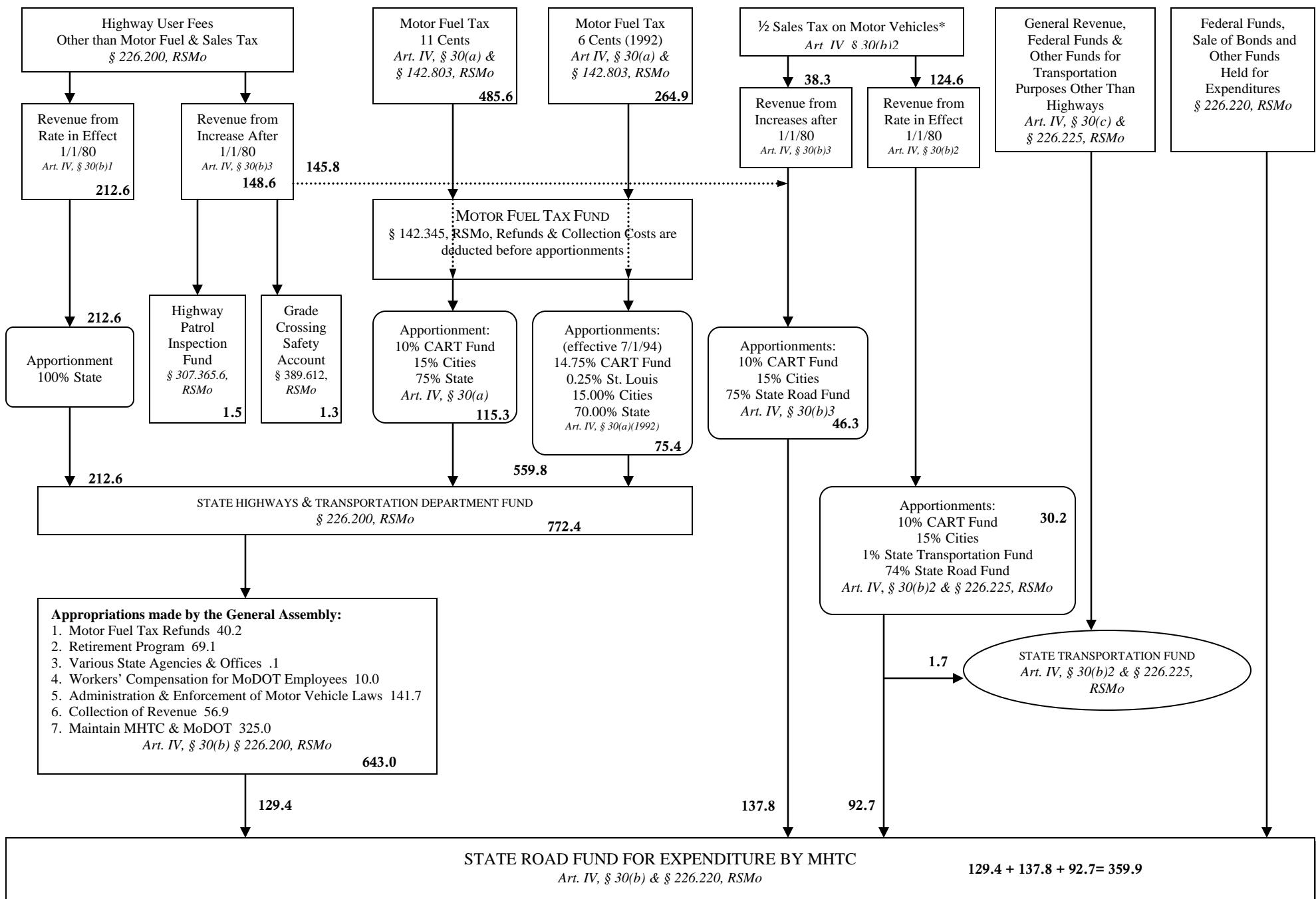
Allocation of Motor Fuel Tax to Counties and Cities

Pursuant to Article IV, Section 30(a) of the Missouri Constitution, the remaining net proceeds of the motor fuel tax (after deducting costs of collection, apportionment and making refunds) is apportioned between the counties, cities and the state and stands appropriated without General Assembly action. The net proceeds of the motor fuel tax (the 11 cent portion) is distributed as follows: 10% to the County Aid Road Trust Fund (CART) for allocation among the various counties, 15% to the various cities and 75% to the state. The six-cent portion of the motor fuel tax is distributed as follows: 14.75% to the CART Fund, .25% to the City of St. Louis, 15% to the cities and 70% to the state.

Fiscal Year 2005
(millions of dollars)

MISSOURI DEPARTMENT OF TRANSPORTATION FUNDING

Current Flow of Funds



*Currently, all motor vehicle sales tax is being distributed 74% State Road Fund, 1% State Transportation Fund, 15% Cities, and 10% CART Fund

Cap on Highway Fund Appropriations To Non-Highway Agencies

Legislation (SB 135, 63) authorizing a 4-cent motor fuel tax increase effective July 1, 1987, established a cap on expenditures from the Highway Fund by other non-highway agencies (§226.200 (3) RSMo). The cap was set at the FY 87 expenditure level and was approximately \$119.6 million. The bill required that when expenditures from the Highway Fund exceeded the cap, the fund must be reimbursed from General Revenue the next fiscal year.

The motor fuel tax increased to six cents in 1992 with the passage of HB 1247, in which the fixed ceiling of \$119.6 million was changed to a flexible ceiling (§142.372 RSMo). Therefore, the growth in funds allocated to non-highway agencies could increase by the same percentage as the overall increase in state highway revenue sources.

During the 2000 legislative session, the passage of House Bill 1742, re-established a fixed cap (§ 226.200 RSMo). This action will require the reimbursement of General Revenue funds to the Highway Fund when expenditures exceed the FY 01 level of expenditures.

During the 2002 legislative session, the passage of House Bill 1196 provides for the removal of the cap beginning in fiscal year 2004 for the Mo. State Highway Patrol for enforcement related activities, and actual costs incurred by the Office of Administration for or on behalf of the Patrol and employees within the Department of Transportation. In addition, beginning in fiscal year 2008, any activities of the Patrol that are not related to the enforcement of laws pertaining to motor vehicle and usage of the highways shall be supported with general revenue, or other applicable funding sources. This legislation also maintains a cap, which is set at the fiscal year 2001 level for the Department of Revenue, and other non-highway related agencies that are currently authorized to receive funding support from the State Highways and Transportation Department Fund.

The Department of Public Safety and Department of Revenue utilize a significant portion of Highway Fund revenue allocated for non-highway related purposes. The Department of Public Safety is compensated for patrolling the state's highways. Likewise, the Department of Revenue is compensated for implementing state motor vehicle and driver statutes. Other agencies receive Highway Fund revenue for work that relates to the state's highway system.

In 2004 Article IV, Sections 30(a), 30(b), 30(c), and 30(d) was amended such that:

- Cap the Department of Revenue's cost of collection at actual cost not to exceed 3% of the amount of highway funds collected.
- Cap the Highway Patrol's use of highway funds to actual costs of administering and enforcing any state motor vehicle laws and traffic regulations.
- Redirects the 50% of the motor vehicle sales tax that goes to general revenue to the State Road Bond Fund over a four-year period beginning July 1, 2005.

COURT ORDERED DESEGREGATION AGREEMENT FISCAL YEAR 2006

Certain state payments formerly made to the Kansas City and St. Louis school districts under court order have been reallocated pursuant to the provisions of SB 781 (1998), Section 162.1060 RSMo, and the terms of the 1999 settlement agreement in the St. Louis Desegregation case (*Liddell v. the Board of Education of St. Louis City*). In prior years, the state was required to expend moneys in order to improve the quality of education in St. Louis and Kansas City, in order to comply with the orders of U.S. District Courts for Eastern and Western Missouri. Prior to 1993, desegregation payments were made pursuant to federal court order and were not appropriated. Subsequently, these payments have been appropriated to the Department of Elementary and Secondary Education.

The 1999 settlement agreement provides for \$180 million in capital to be paid to the St. Louis Public Schools beginning in FY 2000. Payments are to be made as follows:

July 1, 1999	\$28.5 million	July 1, 2005	\$13.0 million
July 1, 2000	\$25.0 million	July 1, 2006	\$12.0 million
July 1, 2001	\$20.0 million	July 1, 2007	\$11.0 million
July 1, 2002	\$20.0 million	July 1, 2008	\$10.0 million
July 1, 2003	\$16.5 million	July 1, 2009	\$9.0 million
July 1, 2004	\$15.0 million		

A total of \$50 million was paid to the Voluntary Inter-District Choice Corporation in two payments. The first payment was made in fiscal year 2000 and the second payment in fiscal year 2001.

Listed below, are the expenditures of the St. Louis Desegregation Plan and the Kansas City Desegregation Plan that were mandated by court order. The following information is as of June 30, 2005.

St. Louis Desegregation Plan

<u>Fiscal Year</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Lapse</u>
2005	\$15,000,000	\$15,000,000	0
2004	16,500,000	16,500,000	0
2003	20,000,000	20,000,000	0
2002	20,000,000	20,000,000	0
2001	50,000,000	50,000,000	0
2000	53,500,000	53,476,585	23,415
1999	191,862,972	188,799,736	3,063,236
1998	158,800,000	147,021,949	11,778,051
1997	151,700,000	138,086,852	13,613,148
1996	153,700,000	148,291,471	5,408,529
1995	155,700,000	139,258,397	16,441,603
1994	147,600,000	134,202,695	13,397,305
1993	147,100,000	136,028,438	11,071,562
1992	144,600,000	137,189,737	7,410,263
1991	135,200,000	132,695,771	2,504,229
1981-1990	674,980,490	616,269,820	58,710,670

Kansas City Desegregation Plan

<u>Fiscal Year</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Lapse</u>
1999	\$ 99,000,000	\$ 97,532,435	\$ 1,467,565
1998	132,737,856	132,737,852	4
1997	110,300,000	89,042,565	21,257,435
1996	168,200,000	125,591,973	42,608,027
1995	203,200,000	175,045,453	28,154,547
1994	196,850,000	143,290,085	53,559,915
1993	209,600,000	139,789,109	69,810,891
1992	191,400,000	159,334,336	32,065,664
1991	157,900,000	141,063,712	16,836,288
1986-1990	376,760,000	331,555,932	45,204,068

SOURCE: State of Missouri, Appropriation Activity Report

The fiscal year 1998 Kansas City Desegregation figures reflect moneys that were placed in escrow during fiscal year 1997 but not applied until fiscal year 1998.

RECENT LITIGATION

As of August 1, 2004 there are two issues currently being litigated that could impact the St. Louis desegregation settlement. The district has asked for and received permission to use its state appropriated desegregation funding for the purpose of managing cash flow in the operating budget. There was litigation on the issue of whether the district could repay the desegregation fund over multiple years or would have to repay the fund by the end of the same fiscal year. The court has allowed a multiple year repayment.

The district has also filed suit claiming that the amount of funding appropriated through the foundation formula in FY 2003 and FY 2004 are below the minimum levels provided for the settlement agreement. The Circuit Court found in favor of the district in early July 2003. As of August 2005, appeals have not been concluded.

STATE EMPLOYEE PAY PLAN HISTORY

FY 1991 – FY 2006

The pay plan is created by the Personnel Advisory Board (PAB) and reviewed by the Ad Hoc Task Force on Total Compensation. The task force recommendations are integrated into a final plan the PAB submits to the Governor's office and to Budget and Planning. The Governor makes a final recommendation to be reviewed by the legislature.

Fiscal Year	Date Implemented	Description	Positions Under Salary Commission
FY 2006	July 1, 2005	No pay plan was offered Exception <ul style="list-style-type: none">• Missouri State Highway Patrol pay plan, year two of three year phase in	NONE
FY 2005	July 1, 2004	\$1,200/year beginning July 1, 2004 for all employees Exceptions <ul style="list-style-type: none">• No salary increases beyond \$1,200 for Probation and Parole employees who had received salary increases in December 2003• Missouri State Highway Patrol pay plan to address recruitment and retention, year one of a three year phase in	NONE
FY 2004	July 1, 2003	\$600/year beginning July 1, 2003 for employees with an annual salary not greater than \$40,000	NONE
FY 2003	July 1, 2002	No pay plan was offered	NONE
FY 2002	July 1, 2001	No pay plan was offered Exceptions <ul style="list-style-type: none">• 2% Increase for those classified as direct care staff working in State Habilitation Centers (Department of Mental Health) and for those classified as Psychiatric Aides I and II in State Mental Hospitals• Repositioning of those from ranges 3 and 4 to range 5 (Referred to as Basic Living Wage Reposition) Typical job titles include: Laundry, Janitorial, Custodial, and Food Service Worker	NONE
FY 2001	July 1, 2000	\$600/year beginning July 1, 2000 1 step within grade (2%) July 1, 2000 \$420/year beginning January 1, 2001	Judges - \$3,000 per year July 1, 2000 Elected Officials, General Assembly – \$300/year July 1, 2000 1 step within grade (1%) July 1, 2000 \$210/year January 1, 2001

Fiscal Year	Date Implemented	Description	Positions Under Salary Commission
FY 2001 cont.		Exceptions <ul style="list-style-type: none"> • Department of Social Services frontline positions (Social Service Worker I & II, Caseworker, Self-Sufficiency Casemanager, Social Service Supervisor and Income Maintenance Supervisor) requiring a college degree or equivalent experience will receive a one range repositioning (approximately 4% increase) in lieu of the 1 step within grade and will receive the \$600 and \$420 COLAS. • Veteran's home' nursing aides will receive the general pay plan with adjustments to equalize the starting salary for Nursing Aide I's to be \$16,716 and to equalize the starting salary of Nursing Aide II's to be \$19,104. • Water Patrol Officers will receive a one range repositioning (approximately 4% increase) in lieu of the 1 step within grade and will receive the \$600 and \$420 COLAS. • Highway Patrol Officers will receive the state pay plan plus varying adjustments to create their own pay grid. 	
FY 2000	July 1, 1999	1% COLA Up to 2 step within grade (about 4%)	Judges – Salary based on Salary Commission Recommendation General Assembly – 5% Elected Officials – 5% - except Lt. Gov. which was based on Commission recommendation ALL INCREASES WERE INITIALLY VETOED, but fully funded Commission recommendation in supplemental appropriation
FY 1999	July 1, 1998	1% COLA Up to 2 step within grade (about 4%) \$10 per month flexible benefit	5% SAME
*FY 1998	July 1, 1997	1% COLA Up to 2 step within grade (about 4%) Jan. 1, 1998 \$10 per month flexible benefit	Judges, Elected Officials, General Assembly - 2.9% SAME
FY 1997	July 1, 1996	2% COLA Up to 2 step within grade (about 4%)	N/A

Fiscal Year	Date Implemented	Description	Positions Under Salary Commission
FY 1995	July 1, 1994	3% plus \$200 COLA	N/A
FY 1994	July 1, 1993	1% plus \$400 COLA \$360 additional health insurance contribution	N/A
FY 1993		No pay plan was offered or approved.	N/A
FY 1992		No pay plan was offered or approved.	N/A
FY 1991	July 1, 1990	2% within grade adjustment	N/A

*FY 1998 was the first year that the Salary Commission made a recommendation. Previously, Elected Officials, Judges, and the General Assembly received pay increases equal to that of state employees.

WHERE DOES MISSOURI RANK?

Per Capita Personal Income National Per Capita = \$32,937 2004			Per Capita State Tax Revenue National Per Capita = \$2,025 2004			State Tax Revenue as a % of Personal Income 2004		
Rank	State	Per Capita	Rank	State	Per Capita	Rank	State	Percent
1	Connecticut	45,398	1	Hawaii	3,048	1	Hawaii	10.10%
2	Massachusetts	41,801	2	Wyoming	2,968	2	Wyoming	9.20%
3	New Jersey	41,332	3	Connecticut	2,937	3	Vermont	9.20%
4	Maryland	39,247	4	Minnesota	2,889	4	Minnesota	8.60%
5	New York	38,228	5	Delaware	2,862	5	New Mexico	8.50%
6	New Hampshire	37,040	6	Vermont	2,845	6	Delaware	8.50%
7	Colorado	36,063	7	Massachusetts	2,602	7	West Virginia	8.40%
8	Minnesota	35,861	8	New Jersey	2,412	8	Arkansas	8.40%
9	Delaware	35,861	9	California	2,388	9	Kentucky	7.70%
10	Virginia	35,477	10	New York	2,384	10	Michigan	7.70%
11	Washington	35,299	11	Michigan	2,379	11	Maine	7.60%
12	California	35,019	12	Wisconsin	2,275	12	Mississippi	7.60%
13	Alaska	34,454	13	Washington	2,240	13	Idaho	7.50%
14	Illinois	34,351	14	Rhode Island	2,228	14	Wisconsin	7.50%
15	Wyoming	34,306	15	Maryland	2,216	15	California	7.20%
16	Rhode Island	33,733	16	Maine	2,200	16	North Carolina	7.00%
17	Nevada	33,405	17	New Mexico	2,103	17	Utah	7.00%
18	Pennsylvania	33,348	18	Nebraska	2,083	18	Rhode Island	7.00%
19	Vermont	32,770	19	West Virginia	2,066	19	Montana	7.00%
20	Hawaii	32,160	20	Pennsylvania	2,043	20	Nebraska	6.90%
21	Wisconsin	32,157	21	Kentucky	2,041	21	Connecticut	6.90%
22	Michigan	31,954	22	Nevada	2,029	22	Oklahoma	6.90%
23	Florida	31,455	23	Arkansas	2,027	23	Washington	6.80%
24	North Dakota	31,398	24	Illinois	2,005	24	Louisiana	6.80%
25	Nebraska	31,339	25	Alaska	1,967	25	North Dakota	6.70%
26	Ohio	31,322	26	Ohio	1,961	26	Indiana	6.70%
27	South Dakota	30,856	27	North Carolina	1,941	27	Nevada	6.60%
28	Kansas	30,811	28	North Dakota	1,938	28	New York	6.60%
29	Missouri	30,608	29	Kansas	1,931	29	Kansas	6.60%
30	Maine	30,566	30	Indiana	1,917	30	Massachusetts	6.60%
31	Iowa	30,560	31	Virginia	1,908	31	Ohio	6.50%
32	Texas	30,222	32	Idaho	1,901	32	Pennsylvania	6.40%
33	Indiana	30,094	33	Oklahoma	1,824	33	Arizona	6.30%
34	Georgia	30,051	34	Louisiana	1,777	34	South Carolina	6.30%
35	Tennessee	30,005	35	Florida	1,769	35	Iowa	6.20%
36	Oregon	29,971	36	Mississippi	1,765	36	New Jersey	6.10%
37	North Carolina	29,246	37	Montana	1,754	37	Illinois	6.10%
38	Arizona	28,442	38	Utah	1,754	38	Florida	6.00%
39	Oklahoma	28,089	39	Iowa	1,738	39	Alaska	6.00%
40	Alabama	27,795	40	Oregon	1,698	40	Maryland	6.00%
41	Kentucky	27,709	41	Arizona	1,672	41	Oregon	6.00%
42	Louisiana	27,581	42	Georgia	1,650	42	Alabama	5.90%
43	South Carolina	27,172	43	South Carolina	1,621	43	Georgia	5.80%
44	Idaho	27,098	44	Tennessee	1,616	44	Virginia	5.70%
45	Montana	26,857	45	Missouri	1,585	45	Tennessee	5.70%
46	Utah	26,606	46	Alabama	1,549	46	Missouri	5.40%
47	New Mexico	26,191	47	New Hampshire	1,543	47	South Dakota	4.80%
48	West Virginia	25,872	48	Colorado	1,533	48	Texas	4.80%
49	Arkansas	25,725	49	South Dakota	1,378	49	Colorado	4.50%
50	Mississippi	24,650	50	Texas	1,367	50	New Hampshire	4.40%

Source: U.S. Bureau of the Census and Bureau of Economic Analysis.

BUDGET RESERVE FUND

Legal Basis: Article IV, Section 27 (a) of the Missouri Constitution

Description: The fund was authorized by constitutional amendment on the November 7, 2000 ballot. The amendment required the transfer of the fund balances from the Cash Operating Reserve Fund and the Budget Stabilization Fund to the newly created Budget Reserve Fund. The Budget Reserve Fund is exempt from the biennial transfer of the balance and earned interest to the General Revenue Fund.

Purpose: The fund can be used for cash flow insufficiencies or budget stabilization.

Cash Flow Insufficiencies – The Commissioner of Administration may transfer amounts from the Budget Reserve Fund to any state fund if the fund balance is insufficient to maintain appropriated levels. Any cash flow transfers must be repaid to the Budget Reserve Fund, with interest, on or before May 15th of the fiscal year.

Budget Stabilization – If the Governor reduces a department's appropriation level due to a revenue shortfall, or if funds are required to assist the state due to a disaster, the Governor may request appropriations from the Budget Reserve Fund.

The General Assembly must approve the request with a two-thirds vote from both houses.

No more than one-half of the fund balance may be appropriated for this purpose at any one time.

A minimum of one-third of the amount appropriated must be repaid, with interest, in each of the three following fiscal years.

Fund Balance Limits: The fund's balance is capped at 7.5% of net general revenue receipts or 10% if approved by the General Assembly for the purpose of increasing the fund balance.

Net general revenue collections are defined as “all revenue deposited into the General Revenue Fund less refunds and revenues originally deposited into general revenue but designated by law for specific distribution or transfer to another state fund.”

Excesses above the caps are transferred back to the General Revenue Fund. If the balance is less than 7.5% then the difference stands appropriated and transferred from the General Revenue Fund to the Budget Reserve Fund.

FUND BALANCES AS OF JUNE 30TH OF FISCAL YEAR

	Budget Stabilization Fund	Cash Operating Reserve Fund	Budget Reserve Fund	TOTAL
1985	0	130,000,000	0	130,000,000
1986	0	139,274,691	0	139,274,691
1987	0	147,031,658	0	147,031,658
1988	0	152,263,244	0	152,263,244
1989	0	163,447,214	0	163,447,214
1990	0	177,694,086	0	177,694,086
1991	52	186,063,790	0	186,063,842
1992	17,184,602	186,984,083	0	204,168,685
1993	24,722,740	193,067,523	0	217,790,263
1994	36,981,5090	202,243,756	0	239,225,265
1995	23,699,999	212,987,699	0	236,687,698
1996	29,032,747	232,375,970	0	261,408,717
1997	121,444,844	245,143,210	0	366,588,054
1998	128,169,446	261,985,315	0	390,154,761
1999	135,293,029	278,468,808	0	413,761,837
2000	142,777,246	293,425,824	0	436,203,070
2001	0	0	451,979,500	451,979,500
2002	0	0	469,923,936	469,923,936
2003	0	0	462,371,185	462,371,185
2004	0	0	444,203,058	444,203,058
2005	0	0	463,329,441	463,329,441

Calculation of Total State Revenue

In November, 1980, Missouri citizens approved an amendment to Article X of the Missouri Constitution limiting the amount of tax revenue the State may collect in any fiscal year. The amendment, referred to as the Hancock Amendment, established a ratio between personal income and total state revenues for fiscal year 1981 and used that ratio to set the Total State Revenue (TSR) limit for subsequent years.

The ratio is .056395. For FY 2005, this ratio is applied to the United States Department of Commerce's calculation of Missouri personal income for calendar year 2003 to establish the fiscal year 2005 revenue limit.

The Hancock Amendment defines total state revenues as "all general and special revenues, license and fees, excluding federal funds as defined in the budget message of the Governor for fiscal year 1980-1981." Because the limit is actually on the General Assembly's power of taxation, revenues generated by taxes approved by voters after the adoption of the amendment are excluded from the calculation of TSR. Revenues generated by any agency acting on voter approval, i.e., the Missouri Lottery, are excluded. Also, the calculation excludes refunds of any tax included in TSR.

If in any fiscal year, TSR exceeds the limit by 1% or more, the amount of the excess is to be refunded pro rata based on the taxpayer income tax liability reported on the annual Missouri income tax returns filed in the following year. If the limit is exceeded by an amount of less than 1%, the excess is transferred to the General Revenue Fund.

In any fiscal year, the revenue limit may be exceeded if: the Governor asks the General Assembly to declare an emergency and the nature of the emergency and its cost to the state are clearly specified by the Governor; and the General Assembly declares an emergency by a two-thirds majority vote. The emergency must be declared prior to the expenditure of any "excess" revenue. Refunds resulting from provisions of the amendment cannot be the subject of any request to declare an emergency.

The Hancock Amendment includes further provisions limiting tax increases of political subdivisions and limits state government's flexibility to reduce support or impose new responsibilities on local governments. This material is beyond the scope of this text. Interested persons should refer to the Missouri Constitution, Article X, §§ 21 and 22.

The Tobacco Master Settlement Agreement Proceeds have been determined by the Office of Administration – Budget and Planning to be recovery costs for Medicaid expenses related to smoking and, therefore, exempted from Total State Revenue. This issue faces a likely court challenge.

It is unlikely that the Hancock Amendment will be triggered in the foreseeable future. The state is currently hundreds of millions of dollars below the refund threshold, and Article X, Section 18(e) of the Missouri Constitution mandates that the people must vote any major tax increase, and therefore it would be excluded from total state revenue.

Article X, Section 18(e) states that in any one year the general assembly shall not increase taxes or fees by more than \$50 million adjusted for growth in Missouri personal income or 1% of Total State Revenue, which ever is less. For 2006 the adjusted limit is approximately \$77 million. If the general assembly increases taxes or fees by more than the limit, the largest tax or fee increases must go to a vote of the people.

BUDGET PROCESS OVERVIEW

STATE OF MISSOURI

I. Department Budget Preparation

- A. State agencies prepare budget requests during summer and fall for the following fiscal year in accordance with guidelines issued by the Office of Administration's Division of Budget and Planning.
- B. Budget requests are submitted to OA-Budget and Planning by October 1. Copies are submitted to the legislature at the same time.

II. Governor Recommends Executive Budget

- A. After analysis by OA-Budget and Planning, the Executive Budget is published in mid-January.
- B. Governor gives State of the State and Budget Message to a Joint Session of the Legislature in the first few weeks of the legislative session in January.
- C. Appropriations Bills, the first twenty House Bills, are introduced by the Chairman of the House Budget Committee to reflect the Governor's recommended budget.

III. House Appropriations Committees Operating Budget Hearings

- A. After introduction, Appropriations Bills are referred to the House Budget Committee for assignment to the appropriate House Appropriations Committee.
- B. Each House Appropriations Committee (General Administration and Transportation, Education and Public Safety, Natural and Economic Resources, Health and Mental Health, and Social Services and Corrections) holds budget hearings in late January or early February for agencies to testify on their budget requests and the Governor's recommendations.

IV. House Action on Emergency and Supplemental Appropriations

- A. House Budget Committee conducts hearings on emergency and supplemental requests for the current year early in the session. Emergency and supplemental appropriations are for unforeseen changes in circumstance in the current fiscal year. The legislature takes action only on the requests recommended by the Governor.
- B. House Budget Committee "marks-up" emergency and supplemental appropriation bills and sends House Committee Substitutes to the full House for action.

V. House Appropriations Committee Operating Budget Recommendations

- A. House Appropriations Committees “mark-up” the operating budgets and staff prepares House Committee Substitute bills to reflect the committee recommendations.
- B. House Appropriations Committee Chairmen present recommendations to the House Budget Committee.

VI. House Budget Committee Acts on Operating Budget

- A. House Budget Committee either accepts House Appropriations Committee recommendations, alters the recommendations, or rejects the recommendations with instructions for the House Appropriations Committee to reconsider the proposed budget.
- B. House Committee Substitute Appropriations bills as approved by the House Budget Committee are sent to the full House or Representatives with a committee recommendation.

VII. House Floor Action on Operating Budget

- A. All appropriations bills for the operating budget are brought before the House of Representatives.
- B. House Committee Substitute (or House Substitute) bills as perfected by amendment and floor vote are sent to the Senate, usually with one-third of the session remaining.

VIII. House Action on Capital Budget

- A. House Budget Committee conducts hearing and “marks-up” capital budget for recommended House Committee Substitute Bills. The capital budget uses a biennial appropriations process for major, multiyear projects. During the second year of the biennium, funding is provided for critical projects not envisioned at the time of the adoption of the biennial budget.
- B. Full House passes House Committee Substitute (or House Substitute) bills and sends to the Senate.

IX. Senate Appropriations Committee Operating Budget Hearings

- A. Senate Appropriations Committee conducts budget hearings and reviews in late January.
- B. Senate Appropriations Committee “marks-up” operating budget, prepares recommendations, and staff prepares summaries of action for presentation to the full Senate.

X. Senate Appropriations Committee Action

- A. Senate Appropriations Committee conducts hearings and “marks-up” emergency and supplemental appropriations to prepare Senate Committee Substitute for House Committee Substitute appropriations bill on emergency and supplementals.
- B. Senate Appropriations Committee conducts hearings and “marks-up” capital budget for Senate Committee Substitute bills.

XI. Senate Action on Appropriations

- A. Full Senate either adopts Senate Committee Substitutes, amends Senate Committee Substitutes, or adopts Senate Substitute bills for appropriations on emergency and supplemental, operating, and capital budgets.
- B. The Senate returns the appropriation bills to the House of Representatives for acceptance or for the House to make a request for conference to settle differences.

XII. Conference Committee(s) on Appropriations

- A. Conference Committees, consisting of five (5) members from the House of Representatives and five (5) members from the Senate, meet to achieve compromises, settle differences and adopt Conference Committee Substitute appropriations bills.
- B. Conference Committee bills are then returned to the full House and Senate to be Truly Agreed to and Finally Passed.

XIII. Governor’s Line-Item Veto

- A. Truly Agreed To and Finally Passed appropriations bills are sent to the Governor for signature.
- B. Governor either signs an appropriations bill, vetoes entire bill, or line-item vetoes part or all of sections or lines in the bill. Appropriations for payment of principal and interest on public debt and appropriations for free public schools cannot be vetoed under the Missouri Constitution. The Governor must act before July 1 and on that date the appropriated moneys may be expended.

XIV. Governor's Control Over Expenditure Rates

- A. Governor controls the rate of expenditure against appropriations through the allotment process.
- B. An initial reserve plan is the statutorily required 3% withholding on appropriations to be expended upon approval of the Governor.
- C. Governor may further withhold funds to reduce expenditures below appropriations whenever actual revenues are less than estimates on which the appropriations are based.

XV. Legislative Override of Governor's Veto

- A. Legislature may override Governor's veto of bill or line-item by a two thirds majority in both the House and Senate during the following legislative veto session held in September.
- B. Process begins again.

Calendar of Floor Action on FY 2006 Appropriation Bills

93rd General Assembly, 1st Regular Session

January	5 93rd General Assembly, 1st Regular Session begins 26 State of the State Address – Executive Budget presented
February	8 House Introduced/Read First Time – HB 14
March	8 House Floor Action/Third Read & Passed – HCS/HB 14 8 Senate Introduced/Read First Time – HCS/HB 14 16 Senate Floor Action/Third Read & Passed – SCS/HCS/HB 14 18 March 18 – March 28 – Spring Break 30 House Introduced/Read First Time – HBs 1 - 13
April	5 House/Senate Floor Action - TAFP – CCS/SCS/HCS/HB 14 14 House Floor Action/Third Read & Passed – HB 1; HCS/HBs 2 – 11; HBs 12 - 13 14 Senate Introduced/Read First Time – HB 1; HCS/HBs 2 - 10 18 Senate Introduced/Read First Time – HCS/HB 11; HBs 12 - 13 20 House Introduced/Read First Time – HBs 18 - 19 25 House Introduced/Read First Time – HB 15 26 Senate Floor Action/Third Read & Passed – SCS/HB 1; SCS/HCS/HBs 2 - 9 27 Senate Floor Action/Third Read & Passed – SCS/HCS/HBs 10 – 11; SCS/HBs 12 - 13
May	3 House Floor Action/Third Read & Passed – HCS/HBs 15 & 18 - 19 3 Senate Introduced/Read First Time – HCS/HBs 15 & 18 - 19 4 House/Senate Floor Action – TAFP – CCS/SCS/HB 1; CCS/SCS/HCS/HBs 2 - 8 5 Senate Floor Action/Third Read & Passed – SCS/HCS/HB 19 5 House/Senate Floor Action – TAFP – CCS/SCS/HCS/HBs 9 – 11; CCS/SCS/HBs 12 – 13; HCS/HBs 15 & 18; SCS/HCS/HB 19 13 93rd General Assembly, 1st Regular Session ends (6:00 p.m.) 27 Governor signed HBs 1 - 2
June	23 Governor signed HBs 3 – 13; 15, 18 & 19
September	14 Veto Session